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No. 83-271

In the Supreme Court of the United States

OCTOBER TERM, 1983

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, PETITIONER

v.

THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a Public Body Corporate, and THE UNIVERSITY OF GEORGIA ATHLETIC ASSOCIATION, a Non-Profit Corporation, RESPONDENTS

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

JOINT APPENDIX: VOLUME I

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PETITION FOR CERTIORARI FILED AUGUST 13, 1983
CERTIORARI GRANTED OCTOBER 17, 1983

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RELEVANT DOCKET ENTRIES, DISTRICT COURT

Docket No. CIV-81-1209

FILINGS—PROCEEDINGS

Date	
9/8/81	COMPLAINT
9/8/81	ORDER to Show Cause and Temporary Restraining Order, set for Sept. 17th, 1981 at 9:30 a.m. (West for Eubanks) * * *
9/16/81	ORDER that the TRO entered 9-8-81 shall remain in full force & effect except as hereinafter modified: 1) that the TRO entered by this Ct does not apply to television rights for the collegiate football seasons prior to the year 1982; 2) paragraph (b) of the TRO is modified as follows: the NCAA is restrained & enjoined fm initiating any contact w/CFA member institution in which it threatens disciplinary action or sanctions agnst any CFA member assigning or exercising its football television rights other than through the NCAA; the NCAA is free to answer any & all questions propounded to it by any member institution regarding the rules & regulations, including rules as to sanctions of the NCAA; it is free to meet w/any and all of its members to discuss any appropriate action to be taken, including actions relating to the litigation; furthermore, the NCAA may resp to inquiries by the news media concerning the litigation & the position of the NCAA (Eubanks)
9/17/81	ENTER evidentiary hrg. * * *
9/18/81	ENTER further evidentiary hrg. Plf continues case in chief w/test of witnesses; * * * plf rests; dft to put their evidence on at later time; TRO order cont'd in full force & effect * * *
10/20/81	ANSWER of dft The Nat'l Collegiate Athletic Ass'n to plfs' compl

11/20/81	TEMPORARY RESTRAINING ORDER the Ct finds that it is necessary that pending the resumption of the hrg on prelim. inj., the parties be temporarily restrained as follows: 1) NCAA is ordered not to take any steps to commence any disciplinary actions or sanctions agnst the Univ. of Okla. or the Univ. of Ga. (or its athletic association); 2) NCAA is ordered not to enter into or implement any contract which purports to bind the Univ. of Okla. or the Univ. of Ga. (or its athletic ass'n) to televise or cablecast their football games after 1981 (Eubanks) * * *
2/11/82	ENTER Order this case is transferred to Judge Juan Burciaga; * * * (Eubanks)
6/7/82	ENTER NONJURY TRIAL * * *
6/8/82	ENTER FURTHER NONJURY TRIAL * * *
6/9/82	ENTER FURTHER NONJURY TRIAL: * * * plf rests * * *
6/10/82	ENTER FURTHER NONJURY TRIAL * * *
6/11/82	ENTER FURTHER NONJURY TRIAL * * *
6/14/82	ENTER FURTHER NONJURY TRIAL * * *
6/15/82	ENTER FURTHER NONJURY TRIAL: * * * ptys rest * * *
9/15/82	MEMORANDUM OPINION (BURCIAGA) * * *
9/15/82	DECLARATORY JUDGMENT AND PERMANENT INJUNCTION: The right to telecast college football games is the property of the institutions participating in the games, and that right may be sold or assigned by those institutions to any entity at their discretion; the contracts for the televising of college football for the 1982-1985 seasons between National Collegiate Athletic Association and American Broadcasting Companies, Columbia Broadcast System and Turner Broadcast System violate Sections 1 and 2 of the Sherman Antitrust Act, 15 U.S.C. §§ 1-2, and are therefore void and of no effect; National Collegiate Athletic Association, its of-

ficers, agents and employees, shall be and hereby are enjoined from enforcing or attempting to enforce the provisions of the contracts above described and from making any other contract of similar kind or nature in the future; National Collegiate Athletic Association, its officers, agents or employees, shall be and are enjoined from prohibiting member institutions from selling or assigning their rights to telecast the college football games in which they participate, and from requiring as a condition of membership that those institutions grant to National Collegiate Athletic Association the power to control those institutions' rights to telecast college football games; the plaintiffs shall recover their costs and reasonable attorneys fees expended in the prosecution of this action, and counsel for plaintiffs shall submit to the Court in affidavit form a statement of their attorneys fees in accordance with guidelines found in Francis v. White, 594 F.2d 778 (10th Cir. 1979); and the Court shall retain jurisdiction over this matter for the purpose of monitoring compliance with this order and for the purpose of modifying the relief granted or of granting further relief should circumstances so require (BURCIAGA) (COB #152) (ENTERED: Clerk) * * *

9/17/82 NOTICE OF APPEAL by defendant from a final judgment rendered by the Court and entered Sept. 15, 1982

RELEVANT DOCKET ENTRIES, COURT OF APPEALS

Docket No. 82-2148

DATE	FILINGS—PROCEEDINGS
9/20/82	CS.DKT. Case docketed.
10/12/82	ROA.F. Record on appeal filed: Vo. I-III (Pleadings, 1,051 pp); Vol. IV (Transcript, 35 pp); Vol. V-XIII (Exhibits); Vol. XIV-XX (Depositions); Vol. XXI-XXVII (Transcripts, 1,385 pp); originals: (2,471 T pp).
10/13/82	* * * BR.F Brief of ABC Sports (amicus) filed * * *
10/13/82	* * * BR.F Appellant's brief filed * * *
10/13/82	* * * BR.F Amicus brief (National Federation of High School Assoc.) brief filed * * *
10/18/82	* * * BR.F Amicus brief of Natl. Assoc. for Equal Education Opportunity, National Black Media Coalition, Black Mississippians Council on Higher Education, Natl. Conf. of Black Lawyers, Viewers of the South filed * * *
11/4/82	BR.F Amicus brief of United States of America filed * * *
11/4/82	BR.F Amicus brief of Association of Independent Television Stations, Inc., filed * * *
11/5/82	BR.F Appellee's brief filed * * *
11/15/82	BR.F Appellants' reply brief filed * * *
11/17/82	BR.F Amici brief of National Association for Equal Education Opportunity, et al., filed * * * (reply brief)
11/18/82	CS.ARG.SUBM—Barrett, Logan, Seymour
12/10/82	APX.F Appellant's and appellee's joint, deferred appendix filed, Vol. I (pl.), 10cc., Vol. II (trans.), 10cc., Vol. III (trans.), * * * plaintiff's exhibits * * * defendant's exhibits * * *
12/16/82	BR.F Appellant's brief (with appendix references) filed * * *
5/12/83	OPN.F. Published, signed opinion filed. Barrett, Logan, Seymour Writing Judge is Logan

5/12/83	JM.DISP. Judgment affirmed. The cause is remanded.
5/12/83	DIS.OPN.F. Dissenting opinion filed. Writing judge is Barrett
5/26/83	P.REHRG.ENB.F Appellant's petition for rehearing en banc filed. * * *
6/23/83	P.REHRG.ENB.DISP. Order: Appellant's petition for rehearing en banc denied. En banc panel. * * *
7/11/83	MDT.ISS. Mandate issued to district court.
7/21/83	RMF.F. Copy of order from Supreme Court staying judgment of 5/12/83 * * *

IN THE UNITED STATES DISTRICT COURT FOR THE
Western District of Oklahoma

THE BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA, a public body corporate, and THE UNIVERSITY OF GEORGIA ATHLETIC ASSOCIATION, a nonprofit corporation, Individually and as Representatives of the Class, *Plaintiffs,* v. NATIONAL COLLEGIATE ATHLETIC ASSOCIATION *Defendant.*	No. CIV-81-1209-E

COMPLAINT
(Filed September 8, 1981.)

Plaintiffs, The Board of Regents of the University of Oklahoma and The University of Georgia Athletic Association, by their attorneys, for their complaint against the defendant, the National Collegiate Athletic Association ("NCAA"), allege as follows:

JURISDICTION AND VENUE

1. Plaintiffs bring this action under Sections 1 and 2 of the Act of Congress of July 2, 1890, as amended, (15 U.S.C., Sections 1 and 2) commonly known as the Sherman Act, Section 16 of the Clayton Act (15 U.S.C., Section 26), the declaratory judgment relief act, 28 U.S.C., Section 2201, *et seq.*, and state statutory and common law, requesting preliminary and permanent injunctive relief from present and future violations of the defendant NCAA of the Sherman Act, the Clayton Act, and state statutory and common law.

2. This court has jurisdiction of this action under the provision of 28 U.S.C., Section 1337 and pendent jurisdiction over the state law claims.

3. Defendant transacts and does business within this District. Venue is proper in this District pursuant to 28 U.S.C., Section 1391 and 15 U.S.C., Section 26. All parties hereto are engaged in interstate commerce in *inter alia*, the sale of television broadcast rights to intercollegiate football games.

THE PARTIES

4. Plaintiff The Board of Regents of the University of Oklahoma, hereinafter referred to in the singular as "OKLAHOMA", is a public body corporate and agency of the State of Oklahoma and is a member of the College Football Association ("CFA") and the NCAA.

5. Plaintiff The University of Georgia Athletic Association, hereinafter referred to in the singular as "GEORGIA", was at all times herein mentioned and is now a nonprofit corporation organized under and existing by virtue of the laws of the State of Georgia, and is a member of the CFA and NCAA.

6. Defendant NCAA is an association of colleges, universities, and related entities including plaintiffs and all members of the class defined below. The NCAA sanctions varsity intercollegiate athletic competitions in more than twenty (20) sports, including football, basketball, baseball, hockey, lacrosse, and soccer, and it sponsors seventy-two (72) national championships in nineteen (19) sports. As a practical matter, participation by an institution of higher education in varsity intercollegiate athletics is possible only if such institution is a member of the NCAA and only pursuant to the rules and regulations of the NCAA.

CLASS ALLEGATIONS

7. The College Football Association ("CFA") is an unincorporated voluntary association formed in June, 1977 and located in Leawood, Kansas. It is composed of sixty-one (61) institutions of higher education that have indicated commitments to major college football programs.

8. Plaintiffs are member institutions of the CFA and bring this action for themselves and on behalf of all such member institutions. The plaintiffs and all other members of the CFA, as well as the CFA itself, are members of the NCAA.

9. The plaintiffs bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure. The class is defined as all member institutions of the CFA and is so numerous that joinder of all members is impractical. There are questions of law and fact common to the class because, as set forth more fully in the substantive allegations below, the actions of the parties herein and the legal consequences thereof arise out of and relate to the class members' membership in the CFA. The claims of the plaintiffs are typical of the claims of the class, and the plaintiffs will fairly and adequately protect the interests of the class.

10. The claims of the named plaintiffs are compatible with and not antagonistic to those of the members of the class.

11. As set forth in the substantive allegations below, the defendant has acted and will act, unless enjoined, on grounds generally applicable to the class. Injunctive and corresponding declaratory relief with respect to the class as a whole is appropriate.

SUBSTANTIVE ALLEGATIONS

12. The plaintiffs, the CFA, and all members of the class are members of the NCAA.

13. In 1977, the NCAA contracted on behalf of its member colleges and universities, including plaintiffs, with the American Broadcasting Companies, Inc. and ABC Sports, Inc. (collectively referred to as "ABC") for telecast of college football games. The contract entered into between the NCAA and ABC expires at the conclusion of the 1981 football season.

14. Due to the expiration of the NCAA-ABC contract at the end of the 1981 football season, the NCAA began preliminary discussions with the major networks for the telecasting of college football games after the expiration of the contract.

15. In anticipation of the expiration of the NCAA-ABC contract, plaintiffs and the members of the class authorized the CFA to explore with various television networks the feasibility of their entering into a contract for the telecast of college football games separate and apart from any contract that might be negotiated by the NCAA.

16. The Constitution and Bylaws of the NCAA empower the NCAA to promulgate rules governing the conduct of intercollegiate athletic programs of member institutions with regard to basic athletic issues such as admissions, financial aid, eligibility and recruiting.

17. The Constitution and Bylaws of the NCAA empower it to promulgate rules governing the conduct of intercollegiate athletic programs of member institutions and empower the Council of the NCAA to appoint committees, including the Television Committee, the actions of which are subject to approval by the NCAA Council. Bylaw 11-3(aa), which establishes the Football Television Committee provides:

> "The Football Television Committee shall consist of eight representatives from Division I-A Football, one representative at large from Division I-AA, one representative at large from Division II, one representative at large from Division III and two women. One Division I-A Football representative shall be appointed from each of the eight NCAA districts. The Divisions I-AA Football, II and III representatives shall be current or former members of the Divisions I-AA, II or III Football Committees. The Committee shall be responsible for the formulation and administration of the Association's Football Television policy and program, subject to the approval of the membership."

18. Because of the interest expressed by plaintiffs and members of the class in exploring negotiations independent of the NCAA leading to an independent contract for the telecasting of college football games after 1981, and with the specific design and intent to suppress such independent negotiations and to prevent execution of any such independent contract, the NCAA on or about April 18, 1981, issued an Official Interpretation of Bylaw 11-3(aa) (the "Official Interpretation"), which seeks to usurp the class members' control over their own property rights—to-wit, the rights to telecast their football games. The Official Interpretation of Bylaw 11-3(aa) states in full:

> "The Association shall control all forms of televising of the intercollegiate football games of member institutions during the traditional football season as defined in O.I. 307. The terms of principles of the control shall be set forth in a television plan or program which periodically shall be prepared by the Football Television Committee, approved by the NCAA Council for submission to the membership by a mail referendum and approved by at least two-thirds of the members voting a procedure which has been followed by the NCAA membership on a regular basis for approximately 30 years. Any commitment by a member institution with respect to the televising or cablecasting of its football games in future seasons necessarily would be subject to the terms of the NCAA Football Television Plan applicable to such season. (B11-3-(aa))."

19. On June 7, 1981, at the annual meeting of the CFA held in Dallas, Texas, the membership of the CFA adopted a resolution providing in pertinent part:

> "1. That the members of the CFA do hereby reject the validity of the Official Interpretation of the NCAA Council dated April 18, 1981;
>
> "2. That, until further notice, the CFA membership reserves unto themselves the right to determine the best use of their property rights to broadcast, telecast and cablecast their institutional football contests;

"3. That the members of the CFA hereby authorize the CFA Board of Directors to develop forthwith a detailed plan for the telecasting and cablecasting of its members' institutional football contests and to make appropriate contacts with various programming entities for the purpose of investigating the saleability of the members' institutional football contests pursuant to such a plan. The Board of Directors shall submit recommendations with respect to those findings to the CFA membership for its approval at a meeting called as soon as feasible."

20. The CFA notified the NCAA that until further notice it did not have the right to determine the use of the CFA members' property rights to broadcast, telecast, or cablecast their institutional football contests.

21. Despite the above action taken by the CFA on behalf of the members of the class, the NCAA, without authority, represented to the three major television networks and others that it had the authority with respect to the 1982 and subsequent football seasons to contract for the telecasting of collegiate football games of all members of the NCAA, including those of the plaintiffs and the other members of the class.

22. Thereafter, the CFA once again notified the NCAA and each of the three major television networks of the CFA membership's rejection of the Official Interpretation and informed said networks that the NCAA did not have authority to negotiate an agreement on behalf of the members of the CFA.

23. On or about August 8, 1981, the CFA and the National Broadcasting Company, Inc. ("NBC") reached an agreement for the telecasting of college football games of CFA member institutions for the 1982, 1983, 1984, and 1985 football seasons (the "Agreement"). Over the term of the Agreement, CFA members would receive compensation aggregating no less than One Hundred Eighty Million Dollars ($180,000,000.00). The Agreement has additional substantial advantages for CFA members as compared with previous and current football

television agreements negotiated by the NCAA purportedly on behalf of its members, including the opportunity for more frequent exposure of CFA schools on national television, and the unique opportunity—which the NCAA has steadfastly refused to obtain for its members—of exposure on prime time national television.

24. The Agreement was subject to ratification by the CFA membership on or before August 31, 1981.

25. On August 21, 1981, the CFA held a special meeting of its membership at which the membership ratified the Agreement between CFA and NBC.

26. By reason of this ratification, each member of the CFA is bound by the terms of the Agreement unless by September 10, 1981, it notified the CFA of its desire not to be bound.

27. Pursuant to the Agreement, if not all CFA members elect to be bound by the Agreement, NBC has the option of terminating the Agreement.

28. Prior to the meeting on August 21, 1981, and thereafter and continuing to the present time, the NCAA through its Executive Director and other officers, agents, and employees, has asserted to plaintiffs and other class members that the Agreement is a violation of the terms and conditions of membership in the NCAA and that any CFA member ratifying the Agreement or electing to be bound thereby would be subject to disciplinary actions and sanctions under the NCAA Constitution and Bylaws, including suspension or expulsion from the NCAA.

29. During the same time period the NCAA through its Executive Director and other officers, agents, and employees, has made and cause to be made statements to class members, the news media and others that any CFA member ratifying the agreement or electing to be bound thereby would be referred to the NCAA Committee on Infractions, and thence to the NCAA Council, for disciplinary action, including suspension or expulsion from membership in the NCAA.

30. The purpose of the statements referred to in paragraphs 28 and 29 was to induce CFA members not to ratify the Agreement (and, following ratification, to induce CFA members to elect not to be bound by the Agreement) in order to maintain the NCAA's purported perpetual position as exclusive bargaining agent for its members with respect to sale of television rights for intercollegiate football.

FIRST CLAIM: ILLEGAL RESTRAINT OF TRADE

31. Plaintiffs repeat and reallege paragraphs 1 through 30 hereof.

32. The NCAA was originally established to further a number of lawful objectives of its member institutions, including promotion of amateurism in college sports and sponsorship of intercollegiate sporting events and championship tournaments. In addition, the member institutions of the NCAA, including the plaintiffs and the members of the class they represent, have at various times in the past delegated to the NCAA the purely commercial function of negotiating for the sale of the right to telecast the member institutions' college football events. This delegation was made solely to promote the economic self-interest and for the convenience of the member institutions, and each such delegation was effective solely for the limited period of time involved in the contract in question. Exerting complete control over the sale of the rights to telecast college football events (whether or not authorized by the Constitution or Bylaws of the NCAA) is not essential to the furtherance of any lawful objective of the NCAA, nor any objective that it was formed to promote.

33. The plaintiffs and the members of the class they represent have chosen to appoint the CFA as their bargaining agent for the sale of the rights to telecast college football events for the 1982 and subsequent football seasons. In order to continue the monopoly of the NCAA in the negotiation and

sale of the rights to telecast college football events in the United States, the NCAA, its officers, agents, and member institutions have conspired to restrain and prevent the plaintiffs and the members of the class they represent from negotiating and selling the telecasting rights to football events through any means other than the NCAA, in violation of Section 1 of the Sherman Act (15 U.S.C., Section 1).

34. In furtherance of the foregoing conspiracy, the NCAA has coerced, threatened and intimidated the plaintiffs and the members of the class they represent both individually, and collectively through the media, with disciplinary sanctions, including suspension or expulsion if they do not continue to negotiate and sell the rights to telecast their football events through the NCAA. Such expulsion would deny the plaintiffs and the members of the class they represent, *inter alia,* access to the right to participate in NCAA-sanctioned events and would result in their suffering irreparable injury as set forth with greater particularity at paragraphs 50 and 51 hereafter.

SECOND CLAIM: MONOPOLIZATION AND ATTEMPT TO MONOPOLIZE

35. Plaintiffs repeat and reallege paragraphs 1 through 30 and 31 through 34 hereof.

36. Prior to 1981, the NCAA had obtained control over 100% of the market for the negotiation and sale of telecasting rights to college football events in the United States.

37. Prior to the formation of the CFA, the NCAA for many years had, through the choice of its members, been the sole entity that negotiated and sold telecasting rights to regular season college football events in the United States. Plaintiffs and the other class members they represent utilized the NCAA as their agent for the sale of their telecasting rights to further their own economic self-interest and out of convenience. The CFA has attempted to break up this monopoly currently

enjoyed by the NCAA by offering colleges and universities a competitive alternative for the sale of the right to telecast their football events.

38. Beginning on or before January 1, 1981, the NCAA has engaged in an attempt to monopolize, a conspiracy to monopolize, and monopolization of the negotiation and sale of telecasting rights to college football events in violation of Section 2 of the Sherman Act (15 U.S.C., Section 2). In furtherance of the foregoing attempts to monopolize, conspiracy to monopolize, and monopolization of negotiation and sale of telecasting rights to regular season college football events in the United States, the NCAA has attempted to coerce and restrain the plaintiffs and the class members they represent, by threatening the members of the CFA individually, and collectively, through the news media, with disciplinary sanctions including suspension and expulsion from membership in the NCAA if the plaintiffs and the members of the class they represent do not continue to negotiate and sell telecasting rights to their college football events exclusively through the NCAA.

39. Continued membership in the NCAA is essential to the plaintiffs and members of the class they represent for the reasons set forth in paragraph 6 herein.

40. If the NCAA is not enjoined from continuing its unlawful coercion, the NCAA will continue in its monopoly position in the sale of television rights to college football events, and the plaintiffs and the members of the class they represent will suffer irreparable injury as set forth with greater particularity at paragraphs 50 and 51 hereafter.

THIRD CLAIM: CONDUCT ULTRA VIRES THE NCAA

41. Plaintiffs repeat and reallege paragraphs 1 through 30, 31 through 34, and 35 through 40 hereof.

42. Plaintiffs and members of the class assert that the NCAA governing documents do not grant the NCAA control

over the rights of the member institutions to telecast football games.

43. The so-called Official Interpretation of the NCAA states that the NCAA has exclusive control of the telecasting rights to college football games. This interpretation is *ultra* vires as an exercise of power not delegated to the NCAA by the plaintiffs and the members of the class in that it purports to empower the NCAA with control of all forms of televising intercollegiate football games, it purports to allow for a vote of the membership on the terms of the control by mail ballot, which is in violation of the procedures adopted by the NCAA, and it purports to empower the NCAA with control of both the televising and *cablecasting* of football games in future seasons. It is further invalid as an attempt to enact legislation for NCAA members without complying with the procedures required by Article 2, Section 1(h) and Article 6, Sections 1 and 4 of the NCAA Constitution.

44. Defendant NCAA claims that a member institution must acquiesce in the position of the NCAA, announced in the Official Interpretation, that the control by the NCAA over the telecasting rights is a term and condition of membership of the NCAA, and failure to acquiesce in this position is a basis for disciplinary action or sanctions by the defendant.

45. The plaintiffs and the members of the class state that the control over telecasting rights is not and never has been a term and condition of membership of the NCAA and that the failure to acquiesce in that control is not a basis for disciplinary action or sanctions by defendant.

46. Because certain controversies have arisen between plaintiffs and defendant concerning the legal rights of the parties to control the telecasting of college football games, the terms and conditions of membership of the NCAA, and the ability of the NCAA to institute disciplinary sanctions with respect to this issue, a declaration of rights of the parties is

sought in order to terminate this controversy before one of the parties suffers irreparable damage for which there is no adequate remedy at law.

FOURTH CLAIM: TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

47. Plaintiffs repeat and reallege paragraphs 1 through 30, 31 through 34, and 35 through 40 herein.

48. The NCAA's willful and malicious tactics of threats, coercion, and intimidation are intended to and, unless enjoined, will have the effect of interfering with the consummation of the Agreement, all without legal justification or excuse.

49. Said interference will result in immediately, permanent, and irreparable injury to the plaintiffs and the class they represent, as set forth in paragraphs 50 and 51 herein.

IRREPARABLE INJURY

50. If the NCAA's program of threats, coercion, and intimidation against CFA members succeeds in inducing a substantial number of CFA members to elect not to be bound by the Agreement and NBC accordingly exercises its option to terminate the Agreement, the plaintiffs and the class they represent will be immediately, permanently, and irreparably injured, *inter alia,* as follows:

a) They will lose the opportunity to direct attention to their programs—academic as well as athletic—through increased exposure of their institution on national television—including the unique opportunity for substantial prime time exposure.

b) They will lose the economic benefits of the Agreement, which are in the aggregate of such magnitude that the NCAA will not be able to respond in treble damages.

51. Further, if the NCAA carries out its threats and suspends or expels the CFA members from membership in the NCAA, or otherwise disciplines the plaintiffs and the members of the class, the plaintiffs and the class they represent will be unable to participate effectively in intercollegiate athletics, post-season football bowl competition, and NCAA championship tournaments (including the NCAA Basketball Tournament) and will thereby suffer immediate and permanent injury that is incapable of measurement in damages, including, among other things:

a) loss of prestige through participation in popular sports, post-season football bowls, and championship tournaments;

b) loss of an important element of the institution's entire educational program.

WHEREFORE, plaintiffs, on their behalf and on behalf of the members of the class, demand judgment against the NCAA as follows:

1. To enjoin preliminarily and permanently the NCAA, its officers, agents and employees from prohibiting any member institution from assigning or otherwise exercising its rights concerning the telecasting of college football games.

2. To enjoin preliminarily and permanently the NCAA, its officers, agents and employees from stating, threatening, or otherwise suggesting that an institution so assigning or exercising its rights other than through the NCAA is subject to disciplinary action or sanctions from the NCAA.

3. To enjoin preliminarily and permanently the NCAA, its officers, agents and employees from implementing any disciplinary action or sanctions against the plaintiffs or members of the class on the basis of the dispute over the telecasting of college football games.

4. To enjoin preliminarily and permanently the NCAA from continuing and retaining its monopolistic position as the exclusive agent or entity providing a service for the sale of telecasting rights of college football games.

5. To declare that:

(a) The acts of the NCAA are in violation of Sections 1 and 2 of the Sherman Act.

(b) The telecasting of college football games is a property right of the institutions participating in the game.

(c) The telecasting of college football games is an institutional property right that may be assigned by the institution to any entity.

(d) The NCAA, after the 1981 football season, has no right to control the telecasting of the football games of the plaintiffs and members of the class.

(e) It is not a term and condition of membership of the NCAA to acquiesce and grant control of an institution's telecasting rights to college football games to the NCAA.

(f) The NCAA may not institute disciplinary action against plaintiffs or members of the class because plaintiffs and the class have not assigned control over the telecasting rights to college football games to the NCAA.

6. For reasonable attorney's fees and costs of court.

7. For such other and further relief as the Court deems just and proper.

DATED: Norman, Oklahoma; September 8, 1981.

/s/ Stanley M. Ward
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ATTORNEY FOR PLAINTIFFS

(Caption omitted in printing.)

ANSWER OF DEFENDANT THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

(Filed October 20, 1981)

COMES NOW defendant, The National Collegiate Athletic Association, and for its Answer to the Complaint:

FIRST DEFENSE

1. STATES that the Complaint fails to state a claim against defendant upon which relief can be granted.

SECOND DEFENSE

2. STATES that the plaintiffs lack standing or capacity to sue.

THIRD DEFENSE

3. STATES that the plaintiffs are not the real parties in interest.

FOURTH DEFENSE

4. STATES that the venue is improper in that the defendant is an unincorporated association which does not reside in this district, is not incorporated in this district, is not transacting or doing business in this district, is not licensed to do business in this district, does not have an agent in this district, and may not be found in this district.

FIFTH DEFENSE

5. STATES that the plaintiffs have failed to join parties under Rule 19, Fed.R.Civ.P., to wit, the American Broadcasting Companies, Inc., ABC Sports, Inc. and CBS, Inc., although plaintiffs seek to enjoin and prevent the defendant from entering into contracts and/or performing contracts with the

American Broadcasting Companies, Inc., ABC Sports, Inc., and CBS, Inc.; said parties have a direct and substantial interest relating to the subject matter of this action and are so situated that the disposition of this action in their absence may as a practical matter impair or impede their ability to protect that interest and may also leave the defendant subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations by reason of their claimed interest; said parties are indispensable parties to this action; a judgment rendered in the absence of said parties would be prejudicial to them and to the defendant; the Court cannot, by protective provisions in the judgment, by the shaping of relief, or by other measures lessen or avoid prejudice to such parties or to the defendant; and a judgment rendered in the absence of such parties will be inadequate.

SIXTH DEFENSE

6. STATES that this action is brought prematurely.

SEVENTH DEFENSE

7. STATES that the plaintiffs have failed to exhaust remedies within the defendant voluntary association.

EIGHTH DEFENSE

8. STATES that the Court should abstain from litigating this matter since it is not at this time a proper subject for judicial intervention.

NINTH DEFENSE

9. STATES that the plaintiffs are foreclosed from invoking the jurisdiction of the Court to grant equitable relief because the plaintiffs are guilty of laches in not having timely brought the

claims, issues and questions asserted and raised in their petition herein before the defendant voluntary association for determination in accordance with the Constitution, By-laws and other governing legislation of the defendant voluntary unincorporated association.

TENTH DEFENSE

10. STATES that no justiciable controversy exists in this case.

ELEVENTH DEFENSE

11. In response to paragraph 1 of the Complaint, ADMITS that the plaintiffs bring this action pursuant to the statutory provisions and common law therein cited and request the relief mentioned herein; but DENIES that this action may be maintained pursuant to said statutes or the common law; DENIES that the plaintiffs are entitled to any relief mentioned therein; and DENIES each and every allegation, averment and conclusion contained in paragraph 1 of the Complaint which has not been hereinabove specifically and expressly admitted.

12. DENIES the allegations contained in paragraph 2 of the Complaint.

13. In response to paragraph 3 of the Complaint, STATES that the defendant has sold television broadcast rights to certain intercollegiate championship football games sponsored by the defendant; STATES that the plaintiffs, or their related institutions, have sold television broadcast rights to certain intercollegiate football games; and DENIES each and every allegation, averment and conclusion contained in paragraph 3 of the Complaint which has not been hereinabove specifically and expressly admitted.

14. In response to paragraph 4 of the Complaint, STATES that it is without knowledge or information sufficient to enable it to form a belief as to the truth of the allegations concerning

the legal standing and capacity of the plaintiff, The Board of Regents of the University of Oklahoma, or whether said plaintiff is a member of the College Football Association, and, therefore, DENIES the allegations and conclusions concerning that matter; and DENIES that The Board of Regents of the University of Oklahoma is a member of the defendant.

15. In response to paragraph 5 of the Complaint, STATES that it is without knowledge or information sufficient to enable it to form a belief as to the truth of the allegations and conclusions concerning the incorporation, legal standing and capacity of plaintiff The University of Georgia Athletic Association, or whether The University of Georgia Athletic Association is a member of the College Football Association, and, therefore, DENIES the allegations and conclusions concerning those matters; and DENIES that The University of Georgia Athletic Association is a member of the defendant.

16. In response to paragraph 6 of the Complaint, STATES that the defendant is a voluntary unincorporated association of certain colleges, universities, and allied members, some of which are members of the College Football Association; STATES that the defendant provides rules for the conduct of varsity intercollegiate athletic competitions in more than twenty sports, including football, basketball, baseball, hockey, lacrosse and soccer, and sponsors national championships in certain sports; and DENIES each and every allegation, averment and conclusion contained in paragraph 6 of the Complaint which has not been hereinabove specifically and expressly admitted.

17. ADMITS the allegations contained in the first sentence of paragraph 7 of the Complaint; but STATES that it is without knowledge or information sufficient to enable it to form a belief as to the truth of the allegations contained in the second sentence of paragraph 7 of the Complaint and, therefore, DENIES the same.

18. In response to paragraph 8 of the Complaint, STATES that the College Football Association is an allied member of the defendant and that certain members of the College Football Association are members of the defendant; STATES that is it without knowledge or information sufficient to enable it to form a belief as to whether the plaintiffs are members of the College Football Association; and DENIES each and every allegation, averment and conclusion contained in paragraph 8 of the Complaint which has not been hereinabove specifically and expressly admitted.

19. In response to paragraph 9 of the Complaint, ADMITS that the plaintiffs purport to bring this action as a class action pursuant to Rule 23, Fed.R.Civ.P., and that the plaintiffs purport to define the class as all member institutions of the College Football Association; and DENIES each and every allegation, averment and conclusion contained in paragraph 9 of the Complaint which has not been hereinabove specifically and expressly admitted.

20. DENIES the allegations contained in paragraphs 10 and 11 of the Complaint.

21. In response to paragraph 12 of the Complaint, ADMITS that the College Football Association and certain members of the College Football Association are members of the defendant; but DENIES each and every allegation, averment and conclusion contained in paragraph 12 of the Complaint which has not been hereinabove specifically and expressly admitted.

22. In response to paragraph 13 of the Complaint, STATES that in 1977 the defendant contracted with the American Broadcasting Companies, Inc., and ABC Sports, Inc. for the telecasting of a series of college football games during the 1978 through 1981 college football seasons; and DENIES each and every allegation, averment and conclusion contained in paragraph 13 of the Complaint which has not been hereinabove specifically and expressly admitted.

23. In response to paragraph 14 of the Complaint, STATES that due to the fact that the contract covered only the telecasting of football games through the 1981 college football season, the defendant began preliminary discussions with the major networks for the telecasting of football games for 1982 and subsequent college football seasons; and DENIES each and every allegation, averment and conclusion contained in paragraph 14 of the Complaint which has not been hereinabove specifically and expressly admitted.

24. In response to paragraph 15 of the Complaint, STATES that the College Football Association explored with various television networks the feasibility of entering into a contract for the telecasting of college football games separate and apart from any contract that might be negotiated by the defendant; and DENIES each and every allegation, averment and conclusion contained in paragraph 15 of the Complaint which has not been hereinabove specifically and expressly admitted.

25. In response to paragraph 16 of the Complaint, STATES that the Constitution and By-laws of the NCAA, among other things, so provide, and further STATES that the Constitution and By-laws of the defendant are not so limited.

26. ADMITS the allegations contained in paragraph 17 of the Complaint.

27. In response to paragraph 18 of the Complaint, STATES that, on or about April 18, 1981, defendant issued an Official Interpretation of By-law 11-3(aa) which provides in substance as quoted in paragraph 18 of the Complaint; and DENIES each and every allegation, averment and conclusion contained in paragraph 18 of the Complaint which has not been hereinabove specifically and expressly admitted.

28. ADMITS the allegations contained in paragraph 19 of the Complaint.

29. In response to paragraph 20 of the Complaint, STATES that the College Football Association notified the defendant to the effect summarized in paragraph 20 of the Complaint; but DENIES the substance of the notice summarized in paragraph 20 of the Complaint.

30. DENIES the allegations, averments and conclusions contained in paragraph 21 of the Complaint.

31. In response to paragraph 22 of the Complaint, STATES that th College Football Association notified the defendant to the effect summarized in paragraph 22 of the Complaint; but DENIES the substance of such notice.

32. In response to paragraph 23 of the Complaint, STATES that on or about August 8, 1981, the College Football Association and the National Broadcasting Company, Inc. reached an agreement relating to the telecasting of college football games of College Football Association member institutions for the 1982, 1983, 1984 and 1985 football seasons; and DENIES each and every allegation, averment and conclusion contained in paragraph 23 of the Complaint which has not been hereinabove specifically and expressly admitted.

33. On information and belief, ADMITS the allegations contained in paragraphs 24 and 25 of the Complaint.

34. DENIES the allegations and conclusions contained in paragraph 26 of the Complaint.

35. On information and belief, ADMITS that the allegations contained in paragraph 27 of the Complaint.

36. In response to paragraph 28 of the Complaint, STATES that prior to the meeting of August 21, 1981, and thereafter, the defendant, its executive director, and certain other officers agents and employees, advised certain members of the College Football Association that the agreement between the College Football Association and the National Broadcasting Company, Inc., if and when binding upon an active

member of the defendant, would constitute a violation of the terms and conditions of said member's membership in the defendant, that any member of the College Football Association which was a member of the defendant and which elected to become bound by such agreement would be subject to disciplinary actions and potential sanctions in accordance with the provisions and procedures of the NCAA Constitution, By-laws and other governing legislation of the defendant, and that such sanctions could include suspension or expulsion from the defendant; and DENIES each and every allegation, averment and conclusion contained in paragraph 28 of the Complaint which has not been hereinabove specifically and expressly admitted.

37. In response to paragraph 29 of the Complaint, STATES that the defendant, its executive director and other officers, agents and employees made statements to members of the College Football Association, the news media and others, to the effect summarized in the preceding paragraph of this Answer; and DENIES each and every allegation, averment and conclusion contained in paragraph 29 of the Complaint which has not been hereinabove specifically and expressly admitted.

38. DENIES the allegations, averments and conclusions contained in paragraph 30 of the Complaint.

39. In response to paragraph 31 of the Complaint, incorporates herein by reference its foregoing responses to paragraphs 1 through 30 of the Complaint.

40. In response to paragraph 32 of the Complaint, ADMITS that the defendant originally was established for the purposes, among others, summarized in the first sentence of paragraph 32 of the Complaint; STATES that the member institutions of the defendant have authorized the defendant to negotiate with television networks for the telecast of series of college football games of member institutions of defendant, pursuant to the Constitution, By-laws and other governing

legislation of the defendant; and DENIES each and every allegation, averment and conclusion contained in paragraph 32 of the Complaint which has not been hereinabove specifically and expressly admitted.

41. In response to paragraph 33 of the Complaint, STATES on information and belief that certain members of the College Football Association have chosen to appoint the College Football Association as a bargaining agent for the sale of the rights to telecast college football games for the 1982 and subsequent college football seasons; and DENIES each and every allegation, averment and conclusion contained in paragraph 33 of the Complaint which has not been hereinabove specifically and expressly admitted.

42. In response to paragraph 34 of the Complaint, STATES that any institution expelled from the defendant would not be eligible to participate in championship events conducted and sponsored by the defendant; and DENIES each and every allegation, averment and conclusion contained in paragraph 34 of the Complaint which has not been hereinabove specifically and expressly admitted.

43. In response to paragraph 35 of the Complaint, defendant incorporates by reference its foregoing responses to paragraphs 1 through 34 of the Complaint.

44. DENIES each and every allegation, averment and conclusion contained in paragraphs 36, 37, 38, 39 and 40 of the Complaint.

45. In response to paragraph 41 of the Complaint, incorporates by reference its foregoing responses to paragraphs 1 through 40 of the Complaint.

46. In response to paragraph 42 of the Complaint, STATES that the plaintiffs may so assert; but DENIES that the defendant's governing Constitution, By-laws and other governing legislation do not grant to the defendant control over the manner in which the member institutions of the defendant

exercise their rights to telecast regular season college football games; and DENIES each and every allegation, averment and conclusion contained in paragraph 42 of the Complaint which has not been hereinabove specifically and expressly admitted.

47. In response to paragraph 43 of the Complaint, STATES that the substance of the Official Interpretation referred to in the first sentence of paragraph 43 of the Complaint is set forth in paragraph 18 of the Complaint; and DENIES each and every allegation, averment and conclusion contained in paragraph 43 of the Complaint which has not been hereinabove specifically and expressly admitted.

48. In response to paragraph 44 of the Complaint, STATES that the defendant claims that a member institution must comply with the Official Interpretation (that control of defendant over the television rights to regular season college football games of its members is a term and condition of membership in the defendant), until such time as the Official Interpretation may be determined by the membership of the defendant, at a convention of the members, to not be binding, and that failure of a member to comply with the Official Interpretation is a basis for disciplinary action or sanctions in accordance with the governing legislation of the defendant; and DENIES each and every allegation, averment and conclusion contained in paragraph 44 of the Complaint which has not been hereinabove specifically and expressly admitted.

49. In response to paragraph 45 of the Complaint, ADMITS that the plaintiffs so state; but DENIES the substance of the plaintiffs' statement; and DENIES each and every allegation, averment and conclusion contained in paragraph 45 of the Complaint which has not been hereinabove specifically and expressly admitted.

50. In response to paragraph 46 of the Complaint, ADMITS that the plaintiffs are seeking a declaration of rights of the parties; and DENIES each and every allegation, aver-

ment and conclusion contained in paragraph 46 of the Complaint which has not been hereinabove specifically and expressly admitted.

51. In response to paragraph 47 of the Complaint, incorporates by reference its foregoing responses to paragraphs 1 through 40 of the Complaint.

53. DENIES each and every allegation, averment and conclusion contained in paragraphs 48 and 49 of the Complaint.

54. DENIES each and every allegation, averment and conclusion contained in paragraphs 50 and 51 of the Complaint.

55. DENIES each and every allegation, averment and conclusion contained in the Complaint which has not been hereinabove specifically and expressly admitted.

56. DENIES that the plaintiffs are entitled to the relief demanded.

TWELFTH DEFENSE

57. STATES that the plaintiffs have waived and are estopped to assert the claims made in this action, and have ratified the actions of the defendant.

THIRTEENTH DEFENSE

58. STATES that the plaintiffs have no authority to institute and maintain this action.

FOURTEENTH DEFENSE

59. STATES that the plaintiffs are not entitled to equitable or other relief based upon the principles of *in pari delicto*, and are barred from maintaining this action by the doctrine of unclean hands.

FIFTEENTH DEFENSE

60. STATES that the plaintiffs' action, if any, accrued more than the period of time provided by all applicable Statutes of Limitations next preceding the filing of this action, and is barred by all applicable Statutes of Limitations.

WHEREFORE, the defendant prays that plaintiffs' Complaint and action be dismissed with prejudice and that defendant recover its costs.

FELLERS, SNIDER, BLANKENSHIP,
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(Certificate of mailing omitted in printing.)

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JOINT STATEMENT OF UNCONTESTED FACTS
(Filed April 5, 1982)

Pursuant to the instructions of this Court at the Pretrial Conference held March 12, 1981, the parties submit the following uncontested facts:

1. Plaintiff, the Board of Regents of the University of Oklahoma, is the governing body of the University of Oklahoma. It is responsible for all of the operations of the University, including its intercollegiate athletic program. The University of Oklahoma is a member in good standing of the defendant National Collegiate Athletic Association.

2. Plaintiff, the University of Georgia Athletic Association, is a nonprofit corporation, organized and existing under the laws of the State of Georgia. The University of Georgia delegated to the University of Georgia Athletic Association the responsibility of operating and maintaining its intercollegiate athletic program by resolution of its Board of Regents. The University of Georgia is a member in good standing of the National Collegiate Athletic Association.

3. Defendant NCAA is a private, self-regulatory, nonprofit association organized in 1905. It consists of over 900 members. Membership is open to four year institutions with acceptable academic standards and conferences, associations and other groups related to intercollegiate athletics. Any member may withdraw at any time. If any member institution withdrew or was expelled from the NCAA, its athletes could not compete in NCAA championships in sports such as baseball, basketball, track, swimming, wrestling, gymnastics, etc.

4. The Constitution, Bylaws, Executive Regulations and Official Interpretations are published in a printed Manual and up-dated in the NCAA News. These publications are widely disseminated to all personnel involved on behalf of the members.

5. NCAA has a professional staff located at its headquarters in Mission, Kansas. There are about 80 employees reporting to the Executive Director, Walter Byers. There are several assistant executive directors including Thomas C. Hansen who is in charge of communications which includes the television contracts for football.

6. NCAA institutional membership is separated into divisions. Division I consists of 276 colleges with major athletic programs (but only 187 play football). Divisions II and III include 500 colleges with less extensive athletic programs. Several years ago, Division I was restructured to create Divisions I-A and I-AA for football.

7. The NCAA regular season television controls are limited to football, and do not extend to basketball, baseball and other intercollegiate sports.

8. There will be no contest as to the contents of a number of official documents of the NCAA, including the Constitution, By-Laws, Official Interpretations, Television Committee Reports, Television Plans and Principles, and contracts with TV networks and cable systems. The parties have quoted from or paraphrased different portions of these documents in their proposed findings of fact, but have not made any agreement as to which portions of the documents should be included in the court's findings or as to the appropriate wording in characterizing or paraphrasing the documents.

Respectfully submitted,

/s/ Clyde A. Muchmore
Andy Coats
Clyde A. Muchmore

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Margaret McMorrow-Love
ATTORNEYS FOR DEFENDANT

DEFENDANT'S EXHIBIT LT

1982-1985 NCAA FOOTBALL TELEVISION PLAN

THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

1982-1985 NCAA FOOTBALL TELEVISION PLAN

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION
National Office
U.S. Highway 50 and Nall Avenue
P.O. Box 1906
Mission, Kansas 66201
913/384-3220

June 1982

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1982-85 NCAA
Football Television Plan

ARTICLE 1
Purposes of Plan

The purposes of this Plan shall be to reduce, insofar as possible, the adverse effects of live television (See Note 1) upon football game attendance and, in turn, upon the athletic and related educational programs dependent upon the proceeds therefrom; to spread football television participation among as many colleges as practicable; to reflect properly the image of universities as educational institutions; to promote college football through the use of television, to advance the overall interests of intercollegiate athletics, and to provide college football television to the public to the extent compatible with these other objectives.

ARTICLE 2
Periods of Plan Control; Administration

To accomplish the Plan's purposes, all forms of television of the football games of NCAA member institutions during the Plan control periods shall be in accordance with this Plan. The Plan control periods shall be from September 1 through the second Saturday in December of each year covered by this Plan, which are the calendar years 1982, 1983, 1984 and 1985. The Plan shall be administered by the NCAA Football Television Committee (hereinafter referred to as the "committee") to the end that any such television programs presented during the Plan's control periods shall be in full accordance with all

---

Note 1: As used in this Plan, the terms television and televising shall include all types of television delivery systems, including, without limitation, conventional broadcasting, cablecasting and other television transmissions.

requirements of this Plan. Where reference is made hereafter to the two-year periods of the Plan, the first such period shall be 1982 and 1983, and the second shall be 1984 and 1985.

ARTICLE 3
Award of Rights

The committee has awarded to two qualified organizations (hereinafter referred to as "carrying networks") appropriate rights to negotiate and contract for the simultaneous telecasting of college football games of members of the NCAA and other stipulated programming during the Plan control periods pursuant to the terms of this Plan. The carrying networks each shall present a series of nationally released telecasts ("Football Series") over conventional network television broadcast facilities as provided herein.

The rights for the presentation of the Football Series telecasts prescribed above shall include the exclusive right to present a particular game on the series, even though exception telecasting or cablecasting rights to that game previously shall have been granted for release by another party under the provisions of Article 16 or the game had been selected for presentation on the Supplementary Series.

Other companies will televise a "Supplementary Series" of college football games of members of the NCAA and other stipulated programming as provided herein. Rights for the Supplementary Series have been awarded by the committee for the 1982 and 1983 Plan control periods.

The basic provisions governing the "Supplementary Series" shall be contained in Article 23, but each provision of this Plan shall apply to that series unless clearly not applicable.

The carrying networks and companies carrying the Supplementary Series also shall have the right to release for televising by the American Forces Radio and Television Network any program produced under rights hereby granted.

Contracts

Contracts with each carrying network for all rights awarded with respect to the Football Series shall be signed on behalf of the NCAA by the Association's executive director with the approval of the committee and shall be subject to the approval of the NCAA Council. Each such rights contract shall specify the guaranteed minimum aggregate compensation to be paid by the carrying network to all participating colleges with which it contracts for each season and shall provide that the carrying network shall freely negotiate and contract individually and directly with member colleges for appearances under such terms and conditions and for such compensation as may be agreed upon, consistent with and subject to the conditions specified in the Plan.

One or more similar contracts shall be executed in a like manner on behalf of the NCAA for the Supplementary Series.

Station Agreement

The stations composing the series networks shall be required to abide by the provisions of this Plan in presenting the series telecasts and shall not broadcast any unscheduled commercial or other announcement during such program. If infractions occur, they may result in withdrawal of the right of a station or system to telecast the remainder of the series.

ARTICLE 4
Coverage Rights and Requirements

Each carrying network shall have the rights to simultaneously telecast the series programs throughout the world in any area in which simultaneous telecasting is possible. Additionally, such rights shall include the right to telecast such exposures on a delayed basis in Hawaii and Alaska within

seven (7) days following the game, provided such a telecast shall not conflict with any high school game.

Each carrying network shall offer complete nationwide simultaneous coverage of the series games for each exposure presented by it. The states of Alaska and Hawaii may be excluded by agreement of the carrying network and the committee.

The rights granted to the carrying networks shall include the right to telecast each series program on a delayed basis in those areas of the United States in which simultaneous transmission is not possible, as long as release is made as soon as reasonably possible following the game.

The rights granted to each carrying network and company shall include the right to use excerpts of its game telecasts of any length on a delayed basis anywhere in the world in any news or sports program within 48 hours of the conclusion of the game, and thereafter excerpts of two minutes or less for newscasts, promotional purposes and anthologies produced by the network.

During the telecasting of a Football Series exposure, whenever a carrying network is divided, it may telecast into one region live or delayed reports of other games it is televising that day, provided there is no extension of the originally scheduled time period without committee approval. Such reports also may be utilized in the postgame show. Similarly, the networks and companies may present a game report including live or delayed action of not to exceed two minutes in length from a game not being televised on the Football Series by that network or company. It is intended that such a report be of a game of unusual interest on that date. Approval for such an insert must be obtained from the committee.

The television rights to be acquired by a carrying network from the NCAA's members may include the right to telecast, cablecast or otherwise exhibit, or sublicense the right to so

exhibit, anywhere in the world except in the United States, its territories or possessions, the games included in its 14' exposures, or any part or parts thereof, by any and all means of delayed visual communication, including delayed telecasting and cablecasting, by use of videotape, cassette cartridge, videodisc, record, film or otherwise, provided that, if the network acquires such rights, it shall pay to the participating NCAA members royalties of not less than 55 percent of the gross receipts derived from the use of the rights described in this paragraph, less expenses. Expenses shall include only costs in connection with preparation, dubbing, subtitling, converting, packing and shipping any film or tape of the coverage; foreign taxes levied upon or arising in connection with the use of such rights; the cost of any raw stock, and residuals or other fees not exceeding scale which may be claimed by writers, talent or other persons who were involved in the original production or telecasting. The foregoing matters shall be subject to express agreement in each instance in the individual game contract to be negotiated between the network and the host participating institution.

The television rights to be acquired by a carrying network from the NCAA's members also may include the right to exhibit in the United States, its territories or possessions, the games included in its 14 exposures, or any part or parts thereof, by such means of delayed visual communication as videotape, cassette cartridge, videodisc, record, film or otherwise, but excluding all forms of telecasting and cablecasting except to the extent used for projections in flight, on shipboard or for nontheatrical exhibition, provided, however, that if the network acquires such rights, it shall pay to the participating NCAA members royalties of not less than 55 percent of the gross receipts derived directly or indirectly from the use of the rights in this paragraph described less "expenses." Expenses shall include only costs in connection with preparation, dubbing, subtitling, converting, packing and shipping any film or tape of

the coverage; taxes levied upon or arising in connection with the use of such rights; the cost of any raw stock, and residuals or other fees not exceeding scale which may be claimed by writers, talent or other persons who were involved in the original production or telecasting. The foregoing shall be subject to express agreement in each instance in the individual game contract to be negotiated between the network and the host participating institution.

In a foreign television market in which either carrying network makes simultaneous release of NCAA football telecasts, it shall be permissible for the host institution to authorize the release of a delayed telecast or cablecast of its own coverage of a football game not earlier than four hours subsequent to the scheduled starting time of the latest live telecast of any NCAA football game which either carrying network has scheduled in that market on that date. Further, the delayed telecast or cablecast may not begin earlier than one-half hour after the start of the game to be delayed telecast or cablecast. Authorization for such a telecast or cablecast must be obtained from the NCAA Football Television Committee on a specific game-by-game basis. In a foreign market where simultaneous release of the series is not made, such delayed telecasts or cablecasts may be made at any time authorized by the committee.

ARTICLE 5
Dates of the Series

The NCAA shall offer for sponsored telecasting by the carrying networks during each of the regular football seasons covered by this Plan two series of college football programs to take place on the 13 Saturdays following the first Saturday in September, on the Friday afternoon following Thanksgiving each year and on such other dates approved by the committee as shall be necessary to achieve the exposures, game telecasts

and team appearances required by this Plan. Night game telecasts may be authorized by the committee (See Note 2).

ARTICLE 6
Sunday Television

There shall be no simultaneous televising of collegiate football games on Sundays unless specifically approved by the committee.

ARTICLE 7
Series Format

During each season of the Plan, each carrying network shall be required to present 14 "exposures" (i.e., the release on a single date of a live game telecast into each television market on the national network) of football games played by NCAA members, utilizing for these presentations the dates identified in Article 5. A Saturday afternoon exposure shall be available each week to each network. It shall not be a requirement that each network televise a game or games each of the 13 weeks of the series, but at least one such telecast shall be required each week.

Within its 14 exposures, each carrying network shall present each season a minimum of 70 team appearances (i.e., a team appearance is one team's participation in one televised game). The 70 team appearances shall be achieved by presentation of a combination of either seven national exposures and seven regional exposures (three to six games per exposure) or eight national exposures and six regional ex-

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Note 2: A "night game" shall be any game which begins at 7 p.m. or later in the most easterly time zone in which it is simultaneously televised. This definition also shall apply as appropriate in determining when a "night game" telecast may be released under the provisions of Article 16.

posures. The occasions on which a regional or national exposure shall be presented by a carrying network shall be determined by that network as long as consistent with this Plan. Any change in the stated ratio of national and regional exposures shall be subject to approval by the committee, and such approval shall not be withheld unreasonably.

For one of its exposures each year, each carrying network shall have the option of presenting two seminational telecasts, with each telecast released to approximately 50 percent of the nation's homes. Each college appearing in such a telecast shall be charged a national appearance, as provided in Article 13. In such a case, the carrying network consequently may present one fewer regional game telecast that season.

In presenting these exposures each year, the carrying networks may utilize double-header presentations (i.e., two games telecast into each television market on a national network, the second telecast immediately following the first game telecast) on any date within the control period authorized for telecasting by the Plan or the committee.

On the first Saturday in December of each year, it shall be permissible for two Division I series exposures to be presented in addition to the telecasts of the semifinal games of the National Collegiate Division II Football Championship and the Division III national championship game.

The second Saturday in December of each year shall be reserved for national television release of the combined coverage of the championship game of the National Collegiate Division II Football Championship and the semifinal games of the National Collegiate Division I-AA Football Championship, and the third Saturday in December of each year shall be reserved for the national telecast of the championship game of the National Collegiate Division I-AA Championship.

No such Division I-AA, II or III championship presentation shall count toward the team appearances required by the

second paragraph of this article. Further, the appearance rules of Articles 12 and 13 shall not apply.

Weeknight telecasts (Monday through Thursday) may be approved on an individual basis by the committee. Friday night telecasts from the first Friday in September through the Friday following Thanksgiving will not be approved (See Note 2). If a double-header is scheduled for Thanksgiving Day, the second telecast thereof may be a night game.

Selection of the dates to be used in these various ways shall be the responsibility of each carrying network, subject to the provisions of Article 10 of this Plan.

Regional Divisions

Each game of a regionally televised exposure shall be telecast into the areas of natural interest of the participating institutions and their traditional rivals, as nearly as practicable, with the sum of the regional areas providing complete national coverage.

For any exposure which is to consist of regional coverage, the carrying network shall present for committee approval a map of the United States indicating suggested regions of release in accordance with the above stated requirements for regional coverage. When institutions with overlapping areas of interest appear in different telecasts at the same time, the committee and the network will establish network divisions which, insofar as possible, serve the best interests of all parties.

The release of any regional telecast shall be confined to not more than 65 percent of the television households in the 48 states. Once during each two-year period of the 1982-1983 and 1984-1985 NCAA football seasons, each carrying network may request the Football Television Committee to approve a regional release pattern in which one of the regional games will be televised in an area comprising up to 75 percent of the

television households in the 48 contiguous states. Further, when special circumstances warrant, a carrying network may devise a regional release pattern deviating from the committee's general policy of requiring coverage throughout the conference area of each team participating in a regional telecast, subject to the committee's approval, which shall not be unreasonably withheld.

For regional telecasts during the month of September for which the participating teams are selected by May 15, the maps are to be presented no later than June 1. For subsequent weeks of the series, the maps are to be received by the committee for consideration no later than 11:30 a.m. (NYT) of the fifth day prior to the dates of the contests to be regionally televised.

Once the regions have been approved for an exposure, no change may be made in the regional alignments unless new information directly affecting the regional patterns is submitted by the carrying network and the change is approved by the committee.

Change of Coverage

A carrying network may change coverage from a one-sided game to a more competitive game during presentation of regional telecasts. Such coverage shall not be changed until after completion of the half-time program and then only in a game in which the point differential is 18 points or more. Even for such a game, it shall not be changed in the home television area of either of the participants. These areas shall be determined in each such case by the committee or its designated representative. Each network may change coverage in this manner no more than once per season for any team.

Replacement of Lost Telecast

If cancellation of a scheduled game is necessary, every effort shall be made by the carrying network and the committee to present a replacement game on the same date or at a later date. The committee and the provisions of the NCAA contract with the network which govern actions to be taken as a result of loss of a telecast will determine the conditions under which the replacement game shall be televised.

Should transmission of a game be lost, the network may utilize all or portions of the taped telecast of an earlier game as a programming replacement to fill that time period; however, the provisions of the preceding paragraph shall apply.

ARTICLE 8
Times of Presentations

On those Saturdays when a double-header is scheduled, the pregame telecast of the first game shall begin at 12 noon, Eastern Time, and the kickoff shall occur between 12:20 and 12:35 p.m. The pregame telecast of the second game shall begin at 3:30 p.m., Eastern Time, and the kickoff shall occur between 3:45 and 3:50 p.m. At the request of a carrying network, the committee may adjust those times to further the interests of the program, subject to the provisions of the Ground Rules which limit overlaps of game telecasts. On those dates on which only one network televises, it shall determine the telecast starting time, subject to the approval of the committee.

When a network is presenting the early (12:35 p.m., Eastern Time, kickoff) exposure of a double-header, for a regional telecast which will be released in the Pacific Time Zone only it shall be permissible for the network to schedule the kickoff at either 9:35 a.m. or 3:45 p.m., Pacific Time, even

though the remainder of the regional exposure shall be released with kickoffs at 12:35 p.m., Eastern Time. If it believes it would benefit the series, the committee may authorize such a Pacific Time Zone release for kickoff at 12:45 p.m., Pacific Time, even though it would thereby be competing with the late (3:45 p.m., Eastern Time) telecast of the other network. It is understood that if a game to be televised with a kickoff at 12:45 or 3:45 p.m., Pacific Time, is played in another time zone, it also would be televised concurrently in its immediate area of interest. The committee will monitor Pacific Time Zone presentations to determine whether the members of any conference receive an excessive number of appearances due to this provision on one or both networks and may prohibit selection by such network(s) of additional regional appearances confined to the Pacific Time Zone for such group of teams.

(NOTE: The times in the above paragraph are representative of the permissible time spans for kickoffs set forth in the first paragraph of this Article.)

Scheduled overlaps between the two network telecasts will be permitted only after consultation with each network and only in special circumstances [e.g., situations where inadequate lighting makes it impossible to start the second game of the day (televised by the second network) at a late enough hour to assure that overlap will be avoided], dates when prominent baseball games will be televised or on the Friday following Thanksgiving Day. Subject to each network's obligation to present 14 exposures, neither network shall be required to televise concurrently with a telecast of a baseball league championship playoff or World Series game. The committee may authorize concurrent telecasts of series games on dates when such baseball games are televised.

ARTICLE 9
Prohibition of Blackouts

The televising of a Football Series game or Supplementary Series game shall not be blacked out in the area in which the game is played.

ARTICLE 10
Selection and Announcement of Network Schedules and Scheduling Ground Rules

Each carrying network shall be completely responsible for selecting the Football Series games it will televise during each year of the Plan, and neither the committee nor its members shall attempt to influence these selections. Such selections, however, shall be subject to certification by the committee as to adherence to the provisions of this Plan.

Each carrying network shall inform the committee immediately of any schedule selection; and, if certified by the committee, the selection shall be considered to be a firm commitment to the participating host institution subject to contractual agreement. The announcement of any selection(s) by either carrying network shall have the prior approval of the committee. Such announcements shall be coordinated by the committee and the carrying network to serve the best interests of the participating NCAA member institutions and the series.

Ground Rules

The annual schedule of the games of member colleges to be presented by each carrying network shall be selected by it according to the Ground Rules set forth in the rights contracts with the carrying networks which are controlling and which, for convenience, are summarized as follows:

1. The NCAA Football Television Committee (or a subcommittee of the Football Television Committee) shall adjudi-

cate the scheduling process in accordance with these Ground Rules and other provisions of the NCAA Football Television Plan.

2. It shall be the goal of the NCAA Football Television Committee that the two series of 14 exposures as carried by the two contracting television networks shall be as equal and balanced as possible. The committee shall retain the right to reject any selection which, in its judgment, would have the effect of injuring or restricting the scheduling opportunities of the other network contrary to the goals of these Ground Rules and the Plan. At the conclusion of the process set forth in Ground Rules Nos. 5 and 6, the committee may reverse for that season the order of selection described in No. 7 if, in its opinion, the selections to that point have resulted in one of the carrying networks being significantly disadvantaged compared with the other network as to the attractiveness and ratings potential of its schedule.

   During the four years of the Plan, the committee reserves the right, after separate consultation with each of the networks, to make modifications in the selection process herein deemed necessary for the benefit of the series.

3. There shall be no restriction on communications between each of the two carrying networks and NCAA member institutions.

4. The network first selecting a game on a date shall control the time sequence of the presentations on that date if a double-header is scheduled.

5. Not later than March 1 each year, the committee shall ascertain the preferences of each of the networks for a minimum of three "special dates" per network on which each network shall present telecasts during that season; and the committee shall endeavor to resolve any con-

flict(s). Any unresolved conflicts remaining shall be resolved by a draft (started by a flip of a coin) whereby each network selects its remaining special dates.

To initiate the drafting process, a coin shall be flipped to determine which network shall have the right of first selection in 1982. Thereafter, the networks shall alternate selections until the minimum three special dates have been picked for each network. The 1982 network also shall have first selection in 1985 at whatever phase of the selection process an initial choice is made. The other carrying network shall have rights of first selection in 1983 and 1984.

In each such case, the network shall select a specific special date, a specific game or games and a specific time of day at which it shall present the selected game(s). The selection of a specific game may occur at any time until Monday of the week of the game; but, if selection of the game(s) for a special date is delayed until control dates are selected, the move of a game from another date can only be made from a date the network controls. In no such case, however, shall selection of a special date constitute control of any game on that date until the end of the equity draft phase (paragraph 6 of this Article) if such a draft occurs or until selection of a specific game, which selection can only be made from the remaining unselected games on that special date, whichever first occurs.

The "special dates" are: the initial Saturday of the series each year; Thanksgiving; the Friday and Saturday following Thanksgiving; the first Saturday in December; Labor Day; Veterans Day; with the approval of the committee, weeknights, Monday through Thursday, and any Saturday night.

Each network may be authorized to televise on the same special date; but head-to-head scheduling or overlaps will

not be authorized thereon, except as provided in Article 8 and except if both networks select the Friday following Thanksgiving, then an afternoon exposure shall be available to each network on that Friday and, in such case, minimum overlap may be scheduled during the period from 2:45 p.m., Eastern Time, to the conclusion of the first telecast, which shall start at the normal time for an early exposure of a double-header (12:20 to 12:35 p.m., Eastern Time).

6. Once the foregoing scheduling has been completed, the committee shall call a meeting of the two networks between March 15 and May 15, at which time each network shall select two games (hereafter called "equity games") to be telecast during that year's football season. The objective shall be to establish an equitable foundation of games chosen by each network for its schedule. The number of "equity games" to be selected at that time may be increased or decreased upon the separate agreement of each of the two networks and approval of the committee.

   The network which had the second selection of special dates shall select first in the equity draft. The two networks then shall alternate selections until the equity games have been selected. These selections shall be subject to confirmation by the committee as in the best interests of the membership and the stated purposes of this Plan.

7. Immediately thereafter, the two networks shall choose through alternating selections the remaining dates of the series on which one or the other will have "control"; i.e., first right of selection of game(s), authority to adjust game times to meet the provisions of Ground Rule 8 and the option of moving per Ground Rule 10.

   The network which had the last selection of equity games shall have first selection of a date to be controlled from the

remaining series dates, and, thereafter, the selection of the remaining dates shall alternate between networks. Games to be presented on these dates shall be picked on a weekly basis not later than 11:30 a.m. (NYT) on the Monday of the week in which the game is to be played.

As with all other scheduling selections, choice of these games shall be subject to the approval of the committee as consistent with the purposes of the Plan and the endeavor to achieve a balanced program for the two networks.

8. By May 15, if the selections made at this point have not provided one (or both) of the networks with two games in early September, if so directed by the committee, it shall select an additional game or games on a September date on which it has control in order to have early season promotional opportunities.

9. On a date on which it has first right of selection, a network may elect to present its game(s) early or late, or in prime time (if approved by the committee), regionally or nationally. Game times may be adjusted as required. The second network will utilize the remaining time slot, if each network is televising on that date, and may present a regional or national exposure, at its option.

   If the network which controls the date (Network A) elects to present a regional telecast and Network B elects to present a national telecast, then Network A shall select one regional game first, Network B shall select its national game second and Network A then shall complete its regional selections.

   If Network B elects to present a regional exposure, then the networks shall alternate selection of games, with Network A making selections 1-3-5-7 and Network B selections 2-4-6-8.

10. A network (Network A) may move any game from any date on which it has first selection rights to another date in order to strengthen its overall schedule. In such a case, Network B, which was to pick second on the date from which the game was moved, then has selection priority for that date as specified in Paragraph 9 and controls the time; Network A then has second selection priority for the date.

    If a network which is to select second on a date wishes to move a game from that date to another date which it controls, it may do so at the time of its selection turn on the initial date. The right of next selection on the initial date then reverts to the network which had first selection rights.

ARTICLE 11
Availability to Other Carriers

Each network carrying the Football Series and company carrying the Supplementary Series each year shall make all programs available on a reasonable basis proposed by it and approved by the committee to any other network or individual station or system which may wish to carry such games simultaneously, provided that from or additions to the series presentations, or present any unscheduled commercial or other announcements during the series presentations.

ARTICLE 12
Appearance Requirements

The carrying networks shall include in the Football Series the following required appearances by member institutions:

(a) Each carrying network shall be required to schedule in each two-year period of the Plan games in which at least 82 different NCAA member institutions appear. It is the Football Television Committee's goal that at least 115 different institutions appear on the two networks' schedules

in two years. If, after the first season, it appears the two-year total will not reach 115, the committee shall request the networks to attempt to schedule additional teams during the second year which did not participate during the first year.

(b) The institutions which are members of Division I-AA Football (See Note 3) shall receive minimum aggregate team appearances of .286 times the number of members in Division I-AA as a part of the regular series telecasts during each two-year period of this Plan. Of these guaranteed team appearances, two shall be allocated to the members of each Division I-AA allied conference during each such two-year period. Each carrying network shall be required to present a minimum of 50 percent of this minimum aggregate number of appearances.

In addition to such minimum aggregate team appearances, the games of the Division I-AA Football Championship shall be covered each year as required in Article 22.

If a I-AA conference has one or more members classified in Division I-A, an appearance by such a I-A institution would count against both the conference guarantee and the overall I-AA guarantee. Credit would not accrue against either of the I-AA guarantees if two I-A members of such a conference appeared. If a conference member classified in Division I-AA were televised playing a nonconference opponent classified I-A, no credit against either I-AA requirement would be granted for the appearance by the nonconference institution.

Note 3: For the purposes of the administration of the Plan for the seasons of 1982 and 1983, particularly insofar as meeting the requirements of Article 12, a college will occupy the membership classification in the sport of football which it held on September 2, 1982. The current football classification of each football-playing member institution may be found in the NCAA Directory.

ARTICLE 13
Appearance Limitations

During each of the two-year periods covered by this Plan, each member institution shall be eligible to appear on the Football Series of the two networks six times, these six appearances to be divided equally between the two carrying networks. Within the six appearances, each such member shall be eligible to appear on four national and two regional telecasts in each two-year period, these four national and two regional appearances to be divided equally between the two carrying networks. Any appearance opportunity not utilized for a national telecast may be used in a regional telecast. Also, no member may appear on the Football Series more than four times during the first year of each two-year period of this Plan (twice on each network), nor more than five times during each such second year.

It shall be permissible for the two carrying networks to exchange appearance opportunities for respective colleges. Each such exchange must be approved by the committee.

Participation in any telecast approved under the provisions of Article 16 (a), (c) or (d) or of Article 18 shall not be subject to an appearance charge under this article, but participation in a telecast approved under the provisions of Article 16 (b) shall result in a charge for a regional appearance in accordance with the terms of that provision.

Disciplinary Actions

The NCAA Committee on Infractions or Council, acting in accordance with the Association's rules and procedures, periodically may disqualify various member institutions from any appearance on the Football Series and the Supplementary Series telecasts and in related programs of live presentations described in this Plan. Such an action, however, shall not

require cancellation of an existing firm commitment (as defined in Article 10) between a network or company and an institution.

An institution thus disqualified may not be a party to a tentative or firm commitment or private understanding or agreement for an appearance on any of the series until after the sanctions have been removed by the NCAA Committee on Infractions or Council, except it may be selected on a Monday for an appearance on the following Saturday if its period of probation is to terminate during the four-day interim and the carrying network or company receives authorization for such a selection from the committee prior to contacting such an institution.

Such an institution, however, may appear on a closed circuit telecast released only on the campus of its opponent institution, but it may not receive any compensation for such a closed circuit telecast.

ARTICLE 14
Member Institution Game Contracts and Consent of Opponents

Subject to this Plan, each member institution shall contract for its own television appearance(s) during each period covered by this Plan. No member institution shall be obligated to televise any of its games, home or away. No member institution may make any arrangements for live or delayed television in any form authorized by this Plan of any football game without the prior consent of its opponent institution.

ARTICLE 15
Standards of Presentation

Only sponsors approved by the Football Television Committee may be utilized for any football game or other program televised pursuant to the 1982-1985 Plan.

Those sponsors approved shall be organizations of high standards whose products and advertising are consistent with the promotion of college football and presenting it as an integral part of higher education.

Approved sponsors shall not include advertisers of the following: alcoholic beverages (except malt beverages, beer and wine as limited below), cigarettes, professional sports organizations or personnel (except as specified hereafter) and any advertising which portrays or otherwise directly promotes gambling. Advertisements shall be prohibited which contain references to or photographs of the games, personnel (except as specified hereafter), broadcasts, telecasts or other activities of professional sports organizations. No advertisement may relate the advertiser or the advertised product to any institution or athlete involved in the game or program, or to the NCAA, unless prior written approval has been granted by the executive director of the NCAA.

NCAA policy excludes advertisements featuring active professional football athletes. The network shall inform each of its advertising sponsors of this policy and the importance thereof to the NCAA. If any such sponsor determines nevertheless to advertise contrary to said policy, the network will inform the NCAA of that fact and will use every reasonable effort to avoid any repetition of that action by such sponsor. Advertisements featuring active professional athletes in other sports shall be permitted. Participating institutions are requested to not permit cigarette advertising in their stadia during the telecast of any series game.

The NCAA intends the restrictions in this Article to apply to advertisements presented by local stations during station breaks in such telecasts. Each network shall inform its affiliated stations carrying such telecasts of such restrictions; and, should the network observe infractions of these restrictions by such

affiliated stations, it shall take appropriate action to remedy these infractions immediately with the station or stations involved. Failure to comply by such stations shall not in and of itself constitute a breach of this contract by the carrying network.

Beverage Advertising Restrictions

Sponsors advertising malt beverages, beer or wine are approved on a limited basis in game telecasts, pregame shows and postgame shows. In each pregame show, three such 30-second commercials and, in each postgame show originating from the site of a game, two such 30-second commercials may be presented. There shall be no limitation with respect to such commercials in postgame shows originating from the network's studio or other location clearly not at the site of the televised game.

There shall be within each game telecast, a maximum of nine such 30-second commercials; one within positions one to three, one within positions four to six, one within positions seven to nine, one within positions 10 to 11, one within positions 12 to 14, one within positions 15 to 17, one within positions 18 to 20, one within positions 21 to 23 and one within positions 24 to 25 (as such positions are set forth in the Commercial Format set forth in this Article). There shall be no more than 270 seconds of commercial time for such sponsors permissible in the aforesaid nine allowable positions during each game.

In any other show televised under the provisions of the 1982-1985 Plan, sponsors advertising malt beverages, beer or wine are approved for a maximum of three 30-second commercials during each 30-minute period.

Commercial Format

In each exposure, there shall be not more than 26 commercial minutes presented in 25 commercial periods, 22 of not more than 60 seconds each and one of 30 seconds, one of 120 seconds and one of not more than 90 seconds, and not more than two station breaks of no more than 63 seconds each, in each series game telecast.

The commercial periods, which shall be of 60-seconds duration unless otherwise specified, shall be distributed in accordance with this format:

Start of Game Telecast

(1) Commercial (30 seconds or 60 seconds)**
(2) Commercial

Start of First Quarter

(3) Commercial
(4) Commercial
(5) Commercial
(6) Commercial

End of First Quarter

(7) 2 Commercials (60 plus 60)

Start of Second Quarter

(8) Commercial
(9) Commercial
(10) Commercial
(11) Commercial

End of Second Quarter

Half Time
Station break (63 seconds)‡
(12) Commercial*
(13) 2 Commercials (60 plus 30)

Notes

* 30 seconds of this time may run adjacent to commercial position No. 2.

** Commercial positions Nos. 1 and 25 are to total 90 seconds. Duration of each to be network's option.

‡ If the policy of the carrying network concerning the length of station breaks changes from 63 seconds, the Football Television Committee will consider the change and will approve it if reasonable.

Start of Third Quarter

(14) Commercial
(15) Commercial
(16) Commercial
(17) Commercial

End of Third Quarter

(18) Commercial
Station break (63 seconds)‡

Start of Fourth Quarter

(19) Commercial
(20) Commercial
(21) Commercial
(22) Commercial

End of Fourth Quarter

(23) Commercial†
(24) Commercial†
(25) Commercial (30 seconds or 60 seconds)**†

End of Game Telecast

("Commercial" means an interval for presentation of commercials by the carrying network.)

Notes

** Commercial positions Nos. 1 and 25 are to total 90 seconds. Duration of each to be network's option.

† Commercial No. 25 may not be inserted into fourth quarter. Commercial positions Nos. 23 and 24 may be inserted into the fourth quarter if position No. 23 is preceded by a natural timeout used for game commentary, and if there are sufficient natural times out thereafter to accommodate them. In addition, if the length of the game telecast will exceed three hours and five minutes, measured from the beginning of that portion of the telecast containing Commercial No. 1, then, following another natural timeout used for game commentary, an additional 60 seconds of commercial time may be used during the fourth quarter within a natural timeout following a score (touchdown, field goal or safety). Malt beverage, beer or wine advertising may be used in this commercial position.

‡ If the policy of the carrying network concerning the length of station breaks changes from 63 seconds, the Football Television Committee will consider the change and will approve it if reasonable.

Make-Up Commercials

The carrying network may make up an omitted commercial subject to these provisions:

(a) No more than two make-up commercials may be inserted in any single telecast, either from earlier in that telecast or from a preceding series telecast.

(b) A commercial missed early in a series telecast may be inserted later in that same telecast whenever an extra natural timeout occurs or during half time.

(c) A commercial missed in one series telecast may be inserted in a later series telecast whenever an extra natural timeout occurs or during half time.

These provisions shall cover a commercial scheduled for position 25 omitted by reason of the carrying network's conforming with the prime time access rule of the Federal Communications Commission.

Liaison Official

For each telecast, the agency which assigns officials for the host institution shall appoint a Liaison Official, who shall serve as coordinator between the producer and field officials in assuming observance of the commercial format described in Article 15. His functions shall be prescribed by the committee in a pamphlet which shall be made available to each game official, liaison official and assigning agency, and to the head football coach and director of athletics of each Division I member institution.

The Liaison Official shall have sole authority to call or extend timeouts for use by the carrying network for insertion of commercial messages according to the format herein, although the referee retains ultimate control of the administration of the game. The Liaison Official shall not agree to any special format

or deviation from the regular format or procedures for any game. One of his primary goals shall be the presentation of the necessary commercials without affecting the flow of the game.

The carrying network shall provide the Liaison Official with a telephone headset over which he can communicate with the producer of the telecast, and he is to wear the headset and be in direct personal contact with the producer throughout the game. The network shall provide a cable handler to assist the Liaison Official if requested to do so.

The Liaison Official will be reimbursed for his fee and expenses by the carrying network through his assigning agency.

News Presentation

During the half time of the second game of a double-header presentation of series telecasts, the carrying network may allocate not more than five minutes to the presentation of news or sports news by the network's news department or by its respective affiliated stations; but in no such case may commercial time or promotional material be presented which would exceed that provided for in this Plan.

Promotional Announcements by Network

To avoid distractions from game telecasts, the carrying network shall utilize good taste and judgment in restricting the number of announcements it uses on series telecasts to promote other programs or the series itself. During the period from the beginning of the pregame show to the conclusion of the game telecast, the carrying network shall be limited in the promotion of any and all other shows or events, including series telecasts, to the same amount of time per telecast which is allocated herein to the NCAA and the participating colleges for promotional messages.

The committee expects the support of each carrying network in furthering the demarcation between collegiate and professional sports activities. In that regard, the carrying network may present during each telecast of the series not in excess of two promotional announcements for professional football telecasts by the carrying network. Any such announcement shall not exceed 15 seconds in length, shall be of a billboard nature only and shall not include any action excerpts of any professional game. Only one such announcement may be presented in each half of a telecast. It may be aired adjacent to a commercial presentation.

ARTICLE 16
Exception Telecasts and Cablecasts of Division 1 Games

Under the terms and conditions of this Article, a Division I member institution (or its Division II or III opponent institution) may obtain approval for a live "telecast" or "cablecast" (as defined in Note 7), or both, of one or more of its games not selected by either of the carrying networks for presentation pursuant to this Plan. Games may be approved as "Sellout Exceptions," "400-Mile Exceptions" or "Other Exceptions" as defined in the subsequent sections of this Article. Authorization for such a telecast or cablecast must be requested and received by the member from the committee (via the appropriate district representative). Any such privilege granted hereunder, however, shall apply exclusively to the station(s) and/or system(s) specified in the member's application and must be limited by the applicant institution to such station(s) and system(s).

Application by the institution for authorization for the exception telecast or cablecast must be received by the district representative on the committee as much in advance as possible for a sell-out exception and not later than 15 days prior to the date of the telecast for a 400-mile exception. The committee requests that institutions which anticipate a sell-out complete

the procedure for authorization for such a telecast or cablecast, which then would be subject to the sell-out actually being achieved.

References to mileage in this Article shall mean air miles.

Any transmission or retransmission outside the permissible area of reception for an exception telecast or cablecast (even though the committee determines it occurred despite the efforts of the institution to follow the Plan) shall be a violation of the terms of this Plan. If the applicant institution did not exercise its best efforts to limit the area of reception to the permissible area, as specified herein, or there is evidence the institution was unable to control the area of reception of the exception telecast or cablecast, the applicant shall be charged with a regional appearance as defined in Articles 7 and 13 of the Plan; and/or its subsequent application(s) for an exception telecast(s) or cablecast(s) shall be denied. If the institution has received its maximum regional appearances for the current two-year period of this Plan, the appearance shall be charged against it when it next will be eligible for a regional appearance.

Despite the foregoing, the committee shall have the authority to waive the 120-mile limitation on the permissible area of reception for a 400-mile exception telecast of a game played in Hawaii with a kickoff at 7:30 p.m. or later (Hawaiian time), provided the beginning of the telecast follows by a minimum of three hours the kickoff of any network Football Series telecast to be released that day in the market of the exception telecast. The telecast must meet all other provisions of this article. Further, the signal may be retransmitted only in the same manner as the signal of the carrying station normally is transmitted. No special arrangements for extended retransmission of the game telecast would be permitted. Use of a super station or other means of communication which would send the signal into a wider pattern of distribution than that normally covered by a single television station or cable system will not be authorized. (Such committee authorization shall be subject to approval by the two carrying networks in each instance.)

Permissible Areas of Reception of Cablecasts and Retransmissions of Exception Telecasts by Cable Systems

The permissible area of reception of a cablecast shall be a 120-mile radius from the designated center of any television market in which the cablecast is authorized.

The permissible area of reception of a retransmission of an exception telecast by a cable television system, microwave, translator or any other means whatsoever shall be a 120-mile radius from the designated center of the television market in which the telecast is authorized.

Designated Center of a Television Market

The applicant institution shall designate the center of the television market in which authorization is sought for release of an exception telecast or cablecast. The designated center shall be a point (identified by city and street address) which is the approximate geographical center of the locations of the broadcast television transmitters serving the television market. The designated center of a television market shall be subject to approval or revision by the Football Television Committee.

Sellout and 400-Mile Exceptions

(a) On the afternoons and evenings of the Saturdays during the Plan control periods and on Thanksgiving Day, among the types of exception telecasts and cablecasts which may be presented are Sellout and 400-Mile Exceptions.

(1) A game which is a sellout may be telecast over one station or cablecast over one or more systems in the home television market (See Note 6) of the home institution, telecast over one station or cablecast over one or more systems in the home television market of the visiting institution, and telecast over one station or

cablecast over one or more systems in the television market of the site of the game if it is not played in the home community or television market of either competing institution, provided in each case that no appreciable damage (See Note 4) will be done to any conflicting game (See Note 5).

For a game to qualify for sellout status, tickets no longer shall be available for sale 48 hours prior to game time; and the game must be classified as a sellout by the committee. In making such a determination, the committee shall consider only the sale of stadium seats, not the sale of tickets for areas of the stadium where seats are not available.

If both participants have the same home television market (See Note 6), the host institution may choose an alternative market for its presentation, provided that there will be no appreciable damage to a conflicting game; or it may agree to allow the visiting institution to do so. Such alternative market must contain a population which has demonstrated prior interest in the televising institution's program and must be approved by the committee.

(2) A game which is played at least 400 air miles from the visiting team's campus may be telecast over one station or cablecast over one or more systems in the visiting team's home television market only, if no appreciable damage will be done to a conflicting game (See Note 5).

Other Exceptions

(b) On Saturday nights, Friday nights, Saturday afternoons not utilized for series telecasts and holidays other than any Thanksgiving Day utilized for a series telecast, a game may be telecast by a maximum of four stations and/or cablecast by designated systems in four markets located within the NCAA district or districts represented by the participating institutions, but only if no appreciable damage will be done to any conflicting game. On Friday nights, no appreciable damage may be done to any conflicting game, or any junior college or high school game which would be deemed a conflicting game if it involved college teams (See Note 5). An appearance on such a telecast or cablecast will be charged as a regional appearance under the rules set forth in Article 13 to each institution in whose television market area(s) the telecast was released.

Authorization for such a telecast or cablecast must be received from the committee. Authorization will not be granted at night if the telecast would conflict with a network Football Series telecast.

(c) On the afternoons of Thanksgiving Day and the Saturdays on which series telecasts are scheduled, a game between two Division I institutions which have not appeared on a series telecast during the eight preceding years and the current season, or between such a Division I institution and a Division II or III institution, may be telecast by a maximum of five stations and/or cablecast by designated systems in five markets, without regard for appreciable damage to any other game(s). A participant in such a telecast or cablecast will not be charged with an appearance under Article 13. However, no member institution may participate in more than two such telecasts or cablecasts each season.

Authorization for such a telecast or cablecast must be received from the committee.

(d) On Friday nights and Saturday nights, a game between two Division I institutions which have not appeared on a series telecast during the eight preceding seasons and the current season, or between such a Division I institution and a Division II or III institution, may be telecast by a maximum of five stations and/or cablecast by designated systems in five markets, provided no appreciable damage will be done to any conflicting game, or any junior college or high school game which would be deemed a conflicting game if it involved college teams, on Friday night or to any conflicting game on Saturday night (See Note 5). A participant in such a telecast or cablecast will not be charged with an appearance under Article 13.

Authorization for such a telecast or cablecast must be received from the committee.

The committee shall have the right to withhold or withdraw authorization for an exception telecast or cablecast under any of the provisions of this Article if another television system threatens enlargement of the permissible area(s) of reception.

Rights of Networks

Authorization for any exception telecast or cablecast described in this Article will be issued in each instance only with the understanding that the carrying network which has control of the date on which the exception telecast or cablecast is to be aired (as such control is established in Article 10) shall have a first right to negotiate with the applicant institution for presentation of the exception telecast or cablecast on a live basis in the approved market(s). The other carrying network shall have a second nonexclusive right of negotiation.

The duration of such first right to negotiate shall be a reasonable time determined by the applicant institution but shall constitute, at a minimum, a period of five business days from the time of initial notification from the committee to the network that the committee has authorized the exception telecast or cablecast, unless the application is received by the district representative less than 14 days prior to the date of the game to be televised, in which case the committee may authorize a negotiating period of a shorter duration.

An institution desiring to present an exception telecast or cablecast shall first seek authorization from the committee via application on the appropriate form to its district representative (for a presentation under the provisions of this Article). If the telecast or cablecast is authorized, the committee will notify the network which controls the date on which it will be presented and the second network. The control network then will initiate contact with the institution to negotiate for rights to the game. Such negotiation may be conducted on the network's behalf by its affiliated station in the institution's home television market.

The second network may not contact the institution or undertake negotiations with it until the negotiating period of the control network has passed, or the control network has negotiated for five business days with the institution, whichever is earlier. Thereafter, it may seek rights to the exception telecast under the provisions of this Plan, provided that the applicant institution also may negotiate with the control network and the televising entity named in the institution's application during such negotiations.

If a series game is to be presented on that date, the exception game telecast or cablecast by the carrying network's designee must be presented in full on a live basis as an addition to or a replacement for the series game telecast in the market(s) approved for the exception telecast or cablecast. Further, the presentation by the carrying network (or its designee) must comply with the terms of the Plan.

The appropriate carrying network retains the right to present such a game on the series, exclusively, subject to contractual agreement with the host institution, even if exception telecasting or cablecasting rights to the game previously had been granted to others.

In contrast, the company carrying the Supplementary Series does not enjoy such exclusive rights. Refer to Article 23 for the provisions of the Plan governing presentation of a game both as an exception telecast and as a Supplementary Series telecast.

Subsequent to applying to the committee for authorization to present an exception telecast or cablecast, an applicant institution retains the option of cancelling its plans until such time as it signs an agreement for the exception telecast or cablecast. Thereafter, the institution is committed to presentation of the telecast or cablecast.

Subject to the aforesaid rights of prior first negotiation and the right of a network to select the game for a series telecast, the applicant institution shall be free to make its own arrangements for telecasting or cablecasting the game under the exception television terms of this Plan.

Delaying Series Telecast

If a carrying network contracts to present an exception telecast and to show it at the time designated for the live presentation by it of a regular series game, the series game may be telecast on a delayed basis in the affected station area(s) immediately after the showing of the exception telecast. Such delayed telecast of the series game, however, may not be made if it would do appreciable damage (See Note 4) to any conflicting game (See Note 5). It also may be delayed to 10:30 p.m., local time, on the date on which the game is played.

Standards of Presentation

The provisions of Article 15 shall apply to sponsors of any telecast or cablecast authorized in this Article.

Note 4: "Appreciable damage" shall be deemed to be created by the existence of a "conflicting game" within:

(a) A 120-mile radius from the designated center of the television market in which release of an exception telecast originated by a VHF broadcast transmitter is being considered; or

(b) A 45-mile radius from the designated center of the television market in which release of an exception telecast originated by a UHF broadcast transmitter is being considered; or

(c) A 120-mile radius from the designated center of the television market in which release of an exception telecast originated by a VHF transmitter for receipt on a subscription basis only is being considered; or

(d) A 45-mile radius from the designated center of the television market in which release of an exception telecast originated by a UHF transmitter for receipt on a subscription basis only is being considered, or within 30 miles of more than 1,000 subscribers (or a subscribing nonresidential facility permitting gatherings of more than 500 viewers) of the subscription broadcast television transmitter; or

(e) 30 miles of more than 1,000 subscribers in the aggregate (or a cable-connected or subscribing nonresidential facility permitting gatherings of more than 500 viewers) of one or more cable system(s) which is (are) being considered for origination or retransmission of an exception cablecast or telecast. If any portion of a cable system is located within 30 miles of a conflicting game, all subscribers of that cable system shall be deemed to be located within 30 miles of the conflicting game unless the applicant institution can demonstrate to the Football Television Committee the number of subscribers of that cable system which are located within 30 miles of the conflicting game.

Accordingly, the Football Television Committee will not authorize an exception telecast originated by a UHF broadcast transmitter if any conflicting game is scheduled between the 45- and 120-mile radii, unless the institution can prevent any cable retransmission which would be deemed to create appreciable damage under the provisions of subparagraph (e) immediately above.

When making a determination of the existence of appreciable damage, the committee will base its findings strictly on the presence or absence of a conflicting game within the applicable area and will not accept declarations of lack of attendance damage by the institutions participating in a conflicting game.

Note 5: A "conflicting game" is any nontelevised college football game for which admission is charged, which is not sold out, which is played within the prescribed area (See Note 4) and which is not started at least three hours before the beginning of the televised game or is started within three hours after the beginning of the televised game.

Note 6: "Home television market," as used in this Plan, shall be the home community of a member institution unless that community has no television station, or has only one television station and the member can demonstrate to the satisfaction of the committee it is unable to obtain adequate coverage or fair compensation from the station in its community. In such instances, an institution may petition the committee for authorization to identify another community as its home television market. Once its home market is identified with the approval of the committee, the institution may not change to a second market for purposes of presenting an exception telecast or cablecast during the same football season and may change home markets thereafter only for good reason and upon approval by the committee. The home television market under any circumstance must be the market acceptable to the committee in closest proximity to the institution and within the accepted area of interest of the institution's athletic program.

Note 7: "Telecast," as used in the Plan, means a television presentation originated by a television broadcast station and transmitted by conventional television broadcast for reception and viewing by the public at large with conventional television receivers not requiring special equipment; means a television presentation originated by a subscription broadcast television station (or other transmitter except one utilized in connection with a cable television system) and transmitted to viewers by a system which, by means of a scrambled broadcast signal or otherwise, limits reception to its subscribers, and includes retransmission of such broadcasts under the provisions of this Plan by television stations, cable television systems, translators or other means.

"Cablecast," as used in this Plan means a television presentation originated by or for a cable system and transmitted to viewers by a system which, by means of cable distribution (or otherwise), limits reception to its subscribers.

A satellite transmission which results in direct reception by viewers of an authorized exception telecast or cablecast, unless such direct reception is authorized by the committee, shall constitute a violation of the provisions of this Article and may result in the applicant institution being charged with a regional telecast of its subsequent application(s) for exception telecast(s) being denied.

ARTICLE 17
Exception Telecasts and Cablecasts of Divisions II and III Games

In any year embraced by this Plan, an exception telecast or cablecast of a game between any two institutions which are members of Division II or III (See Note 3) may be presented under the following regulations:

(a) On the afternoons of Thanksgiving Day and the Saturdays on which series telecasts are scheduled, such a game may be televised or cablecast on a maximum of five stations and/or systems, without application of the appreciable damage rule (See Note 4) and without restriction on the television appearances by either participating institution.

(b) On Friday nights, Saturday nights, Saturday afternoons not utilized for series telecasts and holidays other than Thanksgiving Day, such a game may be televised or cablecast on a maximum of five stations and/or systems without restriction on the number of television appearances made by individual institutions participating, but only if no appreciable damage will be done to any conflicting game or, on Friday nights only, any junior college or high school game which would be deemed a conflicting game if it involved college teams (See Note 5).

A Division II or III institution qualified to televise or cablecast a game under the provisions above may petition the committee to extend its network of stations and/or systems if the game or associated ceremonies warrant. If the authorized total exceeds 10 outlets, then a carrying network controlling the date of the telecast shall have first right to negotiate and the other carrying network the second right to negotiate (as provided in Article 16) to present the telecast in each market.

In any of the above categories, authorization for such a telecast or cablecast must be requested and received from the committee. Any sponsors accepted must conform to the standards established by Article 15.

Telecasts and cablecasts authorized under the provisions of this Article shall be subject to the applicable provisions of Article 16, including without limitation those governing selection of the institution's home market, the permissible area of release and cable carriage.

The committee shall have the right to withhold or withdraw authorization for a special telecast or cablecast under the provisions of this Article if wired or cable systems threaten enlargement of the permissible area of reception.

ARTICLE 18
Educational Television

On any date controlled by this Plan, a game which is a sellout [in accordance with the definition in Article 16(a)] may be telecast or cablecast by the home institution's educational television station or system, provided this facility operates entirely on a noncommercial and nonprofit basis and reception is limited to the university community. Such a telecast may be made without reference to the number of television appearances permitted the participating institutions by Article 13. Approval in each case must be obtained from the committee, which may waive the appreciable damage rule (See Note 4) if potential harm to games of other institutions is not deemed significant.

An authorized telecast shall be limited to the one, originating institutional educational station. Its release may not be extended to any additional educational station or network.

Telecasts and cablecasts authorized under the provisions of this Article shall be subject to the same provisions governing the permissible area of reception and cable retransmission as specified in Article 16.

The committee shall have the right to withhold or withdraw authorization for presentation of a telecast or cablecast under the provisions of this Article if any means of retransmission threatens enlargement of the permissible area of reception.

ARTICLE 19
Closed Circuit Television

A closed circuit television presentation of a college football game may be authorized by the committee upon request of a member institution.

If presented on campus, primarily for the benefit of students and faculty, the television presentation will not be subject to the appreciable damage rule (See Note 4).

A closed circuit telecast also may be authorized for presentation in off-campus facilities in accordance with the off-campus rules listed below, except that a telecast to the closed meeting of a bona fide alumni or booster club need not observe the appreciable damage rule or the area of natural interest requirement. A reasonable admission may be charged either on- or off-campus. Any sponsors accepted must conform to the standards of Article 15.

Off-Campus Presentations

The following rules shall govern the off-campus presentations of live, simultaneous closed circuit television presentations of the games of NCAA member institutions:

For All Games:

1. When the appreciable damage rule is applicable pursuant to this Article to closed circuit telecasts, the test distance shall be a maximum of 45 miles (subject to reevaluation by the committee in special circumstances). In evaluating the request, the committee shall consider the capacity of the facility or facilities in which the television program will be presented in evaluating whether appreciable damage could be caused any conflicting game.

For Division I Games:

Upon application, a Division I college may obtain authorization for an off-campus closed circuit presentation provided:

1. No appreciable damage will be done to any conflicting game at any time and, on Friday night only, to any junior college or high school game which would be deemed a conflicting game if it involved college teams;

2. Release is limited to three off-campus facilities per institution which are located in no more than six different markets or areas. One of the six facilities must be in the home community or area of the applicant competing institution or its opponent (with the other five releases not to be permitted unless the closed circuit program is released on the campus or in the home area of the applicant competing institution); this criterion may be satisfied by telecasting or cablecasting the game in the home market of either

competing institution, in which case the closed circuit telecast may be presented in five other facilities. The two participating institutions may file a joint application;

3. Release is confined to areas of natural interest in the game to be shown.

For Division II or III Games:

Upon application, a Division II or III member institution may obtain authorization for an off-campus presentation, provided:

1. The number of off-campus release markets or areas is limited to five;
2. A reasonable effort is made to take the presentation to the campuses and/or home areas of the participating institutions, especially when the game is played at a neutral site;
3. For night games only: there is no appreciably damaging conflict with any college game on a Saturday, nor with any college, junior college or high school game on a Friday.

For Alumni Clubs:

A member institution may obtain authorization for an off-campus presentation to alumni clubs under the following conditions:

1. No more than six such releases of any game telecast may be authorized;
2. Each such release must be sponsored by a local alumni or booster group officially recognized by the applicant university or its opponent;
3. Although members of the group may bring guests to view the television program, and admission may be

charged to offset production and other expenses, the program may not be generally advertised to the public;

4. The committee could invoke the appreciable damage rule for other games if the size of the facility in which release is to be made or other circumstances warrant.

The committee shall have the right to withhold or withdraw authorization for a closed circuit television presentation under the provisions of this Article if retransmission by any means threatens enlargement of the areas of release which are permissible under the foregoing specifications.

ARTICLE 20
Delayed Telecasts or Cablecasts

Games played by member institutions may be delayed telecast and cablecast under the following regulations:

(a) A Saturday game may be presented at 10:30 p.m. or later on that Saturday, at 10:30 p.m. or later on any subsequent Friday or Saturday, at 10:30 p.m. or later on Thanksgiving Day and at any time on any other day;

(b) A Friday game may be presented at 10:30 p.m. or later on that Friday, at 10:30 p.m. or later on any subsequent Friday or Saturday, at 10:30 p.m. or later on Thanksgiving Day and at any time on any other day;

(c) A Thanksgiving Day game may be presented at 10:30 p.m. or later on that Thanksgiving Day, at 10:30 p.m. or later on any subsequent Friday or Saturday and at any time on any other day;

(d) A game other than those covered by items (a), (b) and (c) may be presented at 10:30 p.m. or later on any Friday or Saturday, at 10:30 p.m. or later

Thanksgiving Day and at any time on any other day, except that a game played on Sunday may not be presented prior to 10:30 p.m. of the date played;

(e) No telecast or cablecast presented under the provisions of paragraphs (a), (b), (c) or (d) of this Article may begin earlier than one-half hour after the beginning of the contest to be televised;

(f) If the applicable provisions of (a), (b), (c) and (d) are observed, game extracts of any length may be used at any time with the consent of the participating colleges in televised highlight presentations;

(g) Game extracts not to exceed two minutes in running time may be shown at any hour on any day within the framework of a general newscast or sports news telecast or cablecast, except each carrying network may present game extracts of longer duration from a series game telecast it carries on a network news or sports program, provided the program is telecast within 48 hours of the conclusion of the game.

However, no extracts of game action may be aired on a live basis at any time (other than by one of the carrying networks or as authorized by the Football Television Committee).

Any delayed presentation of game action material under this provision may not be made prior to the conclusion of that contest to be televised, except the material may be presented prior to the conclusion of that contest if each network series game to be televised on that date in that market has concluded prior to the beginning of the newscast. In other words, either the subject game or each of the network series games must have been concluded prior to presentation of the news material.

Approval of such delayed presentations need not be obtained from the committee.

All times mentioned in this Article shall be the current local time at each site of reception of the telecast or cablecast.

ARTICLE 21
Selection of Announcers

Each carrying network annually shall consult with the committee on the play-by-play announcers and color commentators the network plans to utilize for the series prior to their selection, which initial consultation shall in no case occur subsequent to April 1 of any year governed by this Plan. The final decision concerning any announcer shall be the carrying network's.

ARTICLE 22
Mandatory Supporting Programs and Other Requirements of Networks

In the interest of promoting intercollegiate athletics, the carrying networks shall be required to produce and televise the following each year as supporting programs of the series:

Divisions I-AA, II and III Championships, Appearances

(a) On the first Saturday in December, there shall be presented in the areas of natural interest of the participating institutions, and at the sites if the game(s) are sold out, coverage of the semifinal games of the National Collegiate Division II Football Championship and of the National Collegiate Division III Football Championship game, with the areas of release to be agreed upon by the respective carrying network and the committee.

"Areas of natural interest" shall mean the general geographic areas occupied by members of the competing institutions' conferences; or, if a competing institution is not a member of a conference, then the general geographical areas occupied by the competing institution's traditional rivals. The committee may agree to an area of release deviating from complete coverage of the areas of natural interest when special circumstances so warrant.

In the event the areas of natural interest include one or more of the top five markets and the carrying network is concurrently presenting a series telecast, the carrying network will have the right, upon the Committee's prior approval, to carry the game on a delay basis commencing not later than 8 p.m. the same day.

On the second Saturday in December each year, there shall be presented a national exposure consisting of a telecast of the final game of the National Collegiate Division II Football Championship and telecasts of the semifinal games of the National Collegiate Division I-AA Football Championship, with the network divided appropirately among the three games into respective areas of interest, such areas to be approved by the committee.

On the third Saturday in December, a national telecast of the Division I-AA national championship game shall be presented.

Coverage of these contests annually shall be scheduled by agreement of the carrying networks, or, if there is no such agreement, assigned to the carrying networks by the committee.

On the day a Division I-AA, Division II or Division III championship football game is played, neither of the carrying networks may telecast or authorize the telecast of any of the games, or any other college football game, from a transmitter located within 120 miles of the site of any of

the championship games without the NCAA's approval, nor telecast in the home television market of any participating team if, in the NCAA's opinion after consulting with the network, such telecast would reduce attendance at any of the championship games. If the site of a Division I-AA, Division II or Division III championship game is within 120 miles of a transmitter serving a television market of over 500,000 homes and a series game is scheduled to be telecast over that transmitter in conflict with any such championship game, the respective carrying network shall have the right to telecast the series game over the transmitter as an exception to the aforesaid limitation unless NCAA notifies it to the contrary, which notice shall be given only for reasonable purposes not inconsistent with the NCAA's past practices with respect to such championship games.

The football-playing institutions which are members of Divisions II and III (See Note 3) shall receive coverage by the carrying networks of their games each season as described below:

(1) Coverage each year of the Divisions II and III Football Championships as required in this Article.

(2) From among all such institutions, 20 appearances on 10 annual "regular-season" telecasts. Such regular-season telecasts shall not be considered part of the "series" telecasts and shall not be included in computations of series exposures or appearances.

(3) From among the members of Division II, 12 appearances on six such annual regular-season telecasts. From among the members of Division III, eight appearances on four such telecasts annually.

(4) Coverage of the Divisions II and III regular-season games would be provided annually as follows:

One network would televise the six Division II games in 1982 and 1984 and the four Division III games in 1983 and 1985. The other would televise the six Division II games in 1983 and 1985 and the four Division III games in 1982 and 1984.

In selecting its games, each network would assure that colleges representing each of Division II's four regions would receive four appearances during the two years it televised games of that division. Similarly, each network would assure that colleges representing each of Division III's four regions would receive two appearances during the two years of coverage.

(5) No member institution may appear more than one time during each two-year period of the Plan in such a regular-season telecast. No institution which previously has been selected for the Football Series or Supplementary Series during the then-current two-year period of the Plan may appear in such a telecast.

(6) Each telecast is to be released at least in the home television market of each participating institution.

(7) An institution which is ineligible under NCAA governing legislation for the National Collegiate Division II or III Football Championship shall be ineligible for participation in these regular-season telecasts.

Preseason Shows

(b) Each carrying network annually shall produce and televise a preseason promotional show, each show to be one hour in length, designed to assess the coming season, to stimulate interest in the series and to increase attendance at collegiate football games. The committee may approve another promotional show in lieu thereof.

Pregame and Postgame Shows

(c) Each carrying network annually shall televise regularly pregame and postgame shows adjacent to the afternoon series telecasts of a duration which will serve the best interests of both collegiate football and the network, the length of the pregame segment to be a minimum of 15 minutes. The primary purpose of the postgame show will be to present a comprehensive collegiate football scoreboard.

For night games, a pregame show shall be optional with the carrying network. A postgame show shall be required except on those dates when few or no college games are played, in which case the network may request the committee to waive this requirement.

Institutional Announcements

(d) During each series game telecast during the period of this Plan, the NCAA shall be allotted not to exceed four minutes of time during which announcements by or of interest to the NCAA or the participating institutions shall be presented by the carrying network. Materials for these announcements shall be provided the network by the committee or institution. At least 90 seconds of this time on each telecast shall be devoted to presentation of information on higher education, the contributions of the NCAA member colleges to the nation and the benefits and opportunities they provide the residents of their communities and states in many aspects.

During such telecasts, the time shall be allocated as follows:

For a national telecast:

NCAA	120 seconds*
30-second message for each institution	60 seconds
Four 15-second messages by NCAA	60 seconds

For a regional telecast:

NCAA	120 seconds*
30-second message for each institution	60 seconds*
Four 15-second messages by NCAA	60 seconds

* 90 seconds of this time shall be devoted to presentation of messages on higher education.

Promotion of Series

(e) During each year of this Plan, each carrying network shall submit through conveyance by personal representatives to the committee its plans for promotion of college football and its NCAA series that year. This submission shall include specific plans for pre- and in-season promotional campaigns and plans for implementation of each and shall be presented to the committee by April 1.

Videotapes of Telecasts

(f) Each network shall provide to the NCAA at the cost of the raw stock one complete set of three-quarter inch videocassettes for each game telecast by it. The NCAA may use all or any part of each cassette for any nonbroadcast purpose, and the NCAA may use excerpts of each cassette in any manner it deems fit. Upon the NCAA's request and at its expense for any additional costs incurred, such cassette shall be made available to the NCAA in New York City on Monday following the game.

Team Areas

(g) The carrying network of an NCAA series telecast shall not allow its personnel or its equipment to be in the team areas during a game. The network and its personnel shall observe all rules of college football at all times during preparation for or production of a telecast.

Game Officials

(h) It is permissible for a carrying network or company to place a microphone on the referee of a game televised on the NCAA series. Identification by the referee of a player who commits a violation for which a penalty is assessed is authorized by the committee, subject to the approval of the host institution of the game, the rules of the host institution's conference, if it is a member of such an organization, and the rules of the agency which assigns the game officials.

ARTICLE 23
Supplementary Series

During the four years of this Plan (1982-1985), the committee may formulate and administer a television program of NCAA college football within the United States, its territories and possessions identified as the Supplementary Series, in addition to the Football Series. Such television programs shall be scheduled on Saturday evenings or at such other times as not to conflict with the Football Series. The Supplementary Series has been arranged for the first two-year period of the Plan and may be continued or modified thereafter.

All applicable provisions of the Football Television Plan for 1982-1985, including the provisions of Article 15 governing Standards of Presentation and commercial sponsorship, shall apply to the Supplementary Series.

The Supplementary Series is designed to further the purposes of the Plan through the use of alternate video technologies.

During the first two years of the Plan (1982 and 1983), the Supplementary Series shall be limited to no more than 36 exposures annually. During the second two years of the Plan (1984 and 1985), there may be no more than 40 exposures annually. There may be no more than two exposures on each of the 14 Saturdays within the control period on which exposures of the network series are presented, aggregating 28 exposures per year. Further, the two exposures permitted on each such Saturday must originate in concurrent time periods (i.e., the starting times of the two exposures must be within 15 minutes of each other). These dates may not be vacated without the approval of the committee.

The other exposures may be presented on dates approved by the committee and at times which do not conflict with series telecasts.

A game may be presented on the Supplementary Series on a delayed basis.

It would be permissible for one or more companies to present one exposure (consisting of not to exceed four games) concurrently with the presentation by another company of a second exposure.

For the purposes of this Article, an "exposure" shall mean the cablecast and/or pay telecast of one game per market into multiple television markets. An exposure may consist of a national cablecast and/or pay telecast of a single game or regional cablecasts and/or pay telecasts of up to four games. An exposure may be originated as a television broadcast over a VHF or UHF station in a single television market.

Starting Times, Conflicts

No Supplementary Series program may start prior to 7 p.m., Eastern time, on any date on which a telecast is scheduled to begin from 3:45 to 3:50 p.m., Eastern time, or may conflict with any part of a network series telecast which has been scheduled for 12 days or more (e.g., a prime-time network telecast), or may conflict with any part of a 3:45 p.m., Pacific Time Zone, regional telecast with the following exception: If a carrying network schedules a 3:45 p.m., Pacific Time Zone, regional telecast pursuant to Article 8 of this Plan, a Supplementary Series release may conflict with such a regional telecast only if the Supplementary Series release consists of a national presentation of a single game. If the Supplementary Series presentation consists of regional programs, then the regional program scheduled for the Pacific Time Zone may not conflict with any part of a carrying network's 3:45 p.m., Pacific Time Zone, regional telecast.

Scheduling

On May 15 of each year of this Plan, or shortly thereafter, if authorized by the committee, the company(ies) participating in carriage of the Supplementary Series may select specific games and times for exposures for the season of the same year. This schedule will allow publication in appropriate program guides of those selections. It shall be understood, however, that such selections shall be tentative (and so identified in promotional materials) and subject to preemption by the carrying networks when they select their games for the Football Series in accordance with Article 10 of the Football Television Plan.

The announcement of any scheduling commitment—tentative or final—for the Supplementary Series must be approved in advance by the Football Television Committee. Such approval shall be subject to the terms of the Football Television Plan and the following ground rules:

1. A game scheduled for one weekend may not be moved from that weekend for the purpose of scheduling it for the Supplementary Series until each carrying network has determined its selection(s) for that weekend or has waived its respective right to select the game for telecasting on the Football Series.

   Such a game may be moved to a Thursday evening of the same week in which it is scheduled, however, and may be tentatively scheduled for the Supplementary Series prior to the time each carrying network makes its selection(s) for that weekend.

2. It is anticipated the carrying company will contact NCAA member institutions prior to May 15 in order to determine their interest in appearing on the Supplementary Series. No attempt shall be made by the carrying company, however, to interfere with the selection and scheduling process for the Football Series.

Appearance Rules

The following rules shall govern selections for the Supplementary Series:

1. Any team which appears in a game broadcast nationally on a network series in any year may not appear on the Supplementary Series in the following year. For example, if team X appeared in a game televised nationally on a series in 1981, it may not appear on the Supplementary Series in 1982. Likewise, by way of example, if team X appears in a network series national telecast in 1982, it may not appear on the Supplementary Series in the next year, 1983.

2. If a team appears in a network series regional telecast once in any year, it may appear twice on the Supplementary Series the following year.
3. Any four teams which have appeared twice in network series regional telecasts in any year may each appear once on the Supplementary Series the following year, provided their respective opponents had not so appeared twice in the previous year. Except for such four teams, if a team appears two or more times in network series regional telecasts in any year, it may not appear on the Supplementary Series the following year.
4. If a team does not appear in a network series telecast in any year, it may appear three times on the Supplementary Series in the following year.
5. Any appearance on the Supplementary Series will not reduce an institution's appearance opportunities on the network series nor its opportunities to present exception telecasts under the provisions of Article 16.
6. The two carrying networks shall have priority over the Supplementary Series in the choice of any NCAA game for the network series, if the choice is made no later than the Monday preceding the date on which the game will be played.
7. For the 1982 and 1983 seasons, a minimum of four of the 38 team appearances shall be reserved each year for institutions which have football programs classified in Division I-AA Football.

Foreign Sales

Sales of simultaneous or delayed presentations of the exposures of the Supplementary Series outside the United States, its territories and possessions may be approved by the committee. Income from any such sale shall be divided

between the participating institutions (55 percent) and the carrying company (45 percent) and shall be forwarded as due to the host institution of each such televised game.

Secondary Sales

Sales within the United States, its territories or possessions of simultaneous presentations of the exposures of the Supplementary Series by the carrying company for release by subscription television stations shall be permissible if made under terms of this Plan and approved by the committee. Income from any such sale shall be divided evenly between the carrying company and the participating institutions and shall be forwarded as due to the host institution of each such televised game.

Rights Fees

Rights fees, as agreed to by the company and host institution, for any game televised hereunder shall be payable in full to that institution within 10 days of the day on which the televised game is played.

Announcer Approval

The committee shall have the right of consideration and prior approval of all personnel proposed for on-air work by the carrying companies.

Promotional Programming

During each season of the Plan, each carrying company shall produce and televise a preseason program designed to promote college football for that season and a postseason review, each show to be one-half hour in length. No pregame show shall be required for Supplementary Series presentations.

The carrying company shall meet the requirements of Article 22 of the Plan concerning presentation of promotional material provided by the NCAA and the participating institutions.

Exception Telecasts

A company carrying a Supplementary Series presentation has no right of prior negotiation with respect to any exception telecast and shall not have the same rights or preemption to a game for which the committee has authorized an exception telecast as does a carrying network.

The company may not, by electing to present the game of a member institution (subject to contracting for such a presentation with the host institution), thereby gain exclusive rights for the televising of the game. A host institution or visiting institution which has been authorized by the committee to present an exception telecast or cablecast shall retain the right to make the exception presentation in addition to the Supplementary Series presentation.

ARTICLE 24
Assessments Upon Receipts

In each year of the Plan, a basic assessment shall be made upon the football television receipts derived from the Football Series and the Supplementary Series and the proceeds shall be used at the direction of the NCAA Executive Committee (a) to meet the requirements of NCAA television administration; (b) to advance the interests of intercollegiate football, and (c) to advance the interests of intercollegiate athletics in general, including the NCAA Postgraduate Scholarship Program. In each year of the Plan, a supplemental assessment shall be made upon the television receipts derived from the Football Series and Supplementary Series and the proceeds shall be used at the direction of the NCAA Executive Committee for the payment

of expenses for each qualified participant in NCAA championship competition. The amount of such assessments shall be determined annually by the Executive Committee.

All such assessments shall be withheld by each carrying network and each company televising the Supplementary Series from the fees payable by them and shall be paid to the NCAA in installments on or before October 1, November 1 and December 1 of each year.

ARTICLE 25
Modification of Plan

The committee shall have authority to modify this Plan to further its stated purposes, provided any substantive change shall be subject to approval of the NCAA Council, and any change adversely affecting the rights of either carrying network or any company carrying the Supplementary Series must be approved by that network or company.

TELEVISION FORMS AND INFORMATION

For the appropriate forms with which to apply for a 400-mile Exception Telecast, Sellout Exception Telecast or Closed Circuit Telecast, a member institution should contact the member of the Football Television Committee who represents its NCAA District. For forms for Division II and Division III Exception Telecasts, requests should be made to the Television Program Director.

For information on any aspect of the NCAA Television program, please contact the Program Director at the NCAA National Office.

PLAINTIFFS' EXHIBIT 7

AGREEMENT

AGREEMENT dated as of July 24, 1981 by and between ABC SPORTS, INC., a subsidiary of American Broadcasting Companies, Inc., 1330 Avenue of the Americas, New York, New York 10019 (herein called "ABC") and THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, Nall Avenue at 63rd Street, P. O. Box 1906, Shawnee Mission, Kansas 66222 (herein called "NCAA").

1. NCAA hereby grants to ABC the right for each of the four NCAA football seasons, 1982 to 1985, inclusive, to telecast live 14 "exposures" (i.e., the release on a single date of live game telecast into each television market on the national network) of NCAA football games, providing at least 70 team appearances, selected and scheduled in accordance with the "Ground Rules for Two-Network Scheduling of the 1982-1983 and 1984-1985 NCAA Football Television Series" attached hereto ("Ground Rules"), and contracted for in accordance with the Principles included in the April 17, 1981, letter of Wiles Hallock to James Frank and thereafter amended ("Principles"), a copy of which has been provided to ABC. ABC shall freely negotiate and contract individually with NCAA member institutions for the telecasting of such games.

2. (a) Subject to the terms and conditions hereinafter specified, ABC agrees to pay the following minimum aggregate compensation to the participating NCAA member institutions for the games to be telecast each football season of the four-year period:

For 1982:	$ 29,500,000.
For 1983:	32,000,000.
For 1984:	34,250,000.
For 1985:	36,000,000.
Total	$131,750,000.

In the event of a general economic downturn of major national proportions prior to January, 1984 resulting in a reduction of ABC's advertising revenues of major proportions from January, 1982, to January, 1984, NCAA agrees to discuss in good faith with ABC an agreement to reduce the aforesaid minimum aggregate compensation for 1984 and 1985 by not more than $1,000,000 per year.

There shall be deducted from such compensation, however, and paid to the NCAA annual assessments in amounts to be determined by the NCAA Executive Committee, as shall be provided in the 1982-1985 NCAA Football Television Plan ("Plan"), and in the years when ABC telecasts any of the following games the following applicable annual television rights fees: For the Division I-AA Football semifinal games, the total sum of $300,000; for the Division I-AA Football Championship game, the sum of $450,000; for the Division II Football semifinal games, the total sum of $220,000; for the Division II Football Championship game, the sum of $300,000; for the Division III Football Championship game, $150,000; and for the three regular season Division II and two regular season Division III games, the total sum of $120,000.

If the aggregate compensation paid by ABC to NCAA member institutions under this agreement for any football season shall be less than the annual minimum aggregate compensation specified above less the assessments and annual television rights fees previously paid to the NCAA, the difference shall be paid to the NCAA and shall be allocated and distributed by it to or for the benefit of such member institutions.

(b) This agreement was negotiated on the basis that, if the award to another network for the rights not granted to ABC were to specify a basic minimum aggregate compensation for the said four seasons greater than that agreed to be paid by ABC, then ABC would agree that the amount to be paid by ABC correspondingly would be increased up to an amount not

exceeding $135,000,000, and, if such award to another network were to specify a basic minimum aggregate compensation lesser than that agreed to be paid by ABC, then the amount agreed to be paid by ABC correspondingly would be increased. The compensation specified in subparagraph 2(a), above, reflects such basic minimum aggregate compensation to be paid by the other carrying network for the similar rights not granted to ABC hereunder.

(c) It is the NCAA's present intention that the awards to both networks will contain substantially equivalent terms. If, however, the final contract with another network includes terms, other than such compensation, which are more favorable to the other network than the terms herein contained for ABC, then this agreement shall be modified, at ABC's written request given within fifteen days following ABC's receipt of the NCAA's written notice of such more favorable terms, to include such more favorable terms. Any such more favorable terms not contained in the initial written contract with another network shall not be agreed to by NCAA without first discussing same with ABC.

(d) If the NCAA makes no final contract with another network and the NCAA decides to make major alterations in the two network program set forth herein, then, upon written notice from NCAA to ABC, this agreement shall terminate. In such event ABC shall have a right of exclusive prior negotiation with respect to rights under the altered program, to be conducted during normal business hours, for a period of five consecutive business days, said period to commence, after consultation with ABC, upon written notice from the NCAA to ABC. If the parties cannot reach agreement during such five days, the NCAA will reduce its final offering to writing and agrees not to contract for the same rights with another network for a lesser monetary figure without giving ABC two business days to accept same. It is agreed that for purposes of such exclusive negotiation and the NCAA's final offer, if any, all of

the provisions of subparagraph 2(c), above, shall continue to apply.

3. (a) The award to ABC shall be subject to the terms of the 1982-1985 NCAA Football Television Plan to be prepared and adopted by the NCAA containing provisions consistent with the terms of this agreement and with the terms of the Principles constituting the policy and program for football television as approved by the NCAA membership, and containing the terms of the 1978-1981 Plan as amended for the 1980 and 1981 NCAA football seasons which are not inconsistent with said Principles or this contract. Any provision in such 1982-1985 Plan not specifically encompassed by such Principles or this agreement which varies from the provisions of the 1978-1981 Plan, as amended for the 1980 and 1981 NCAA football seasons, and which affects ABC's telecasts hereunder, shall be subject to prior negotiation and agreement with ABC. Nothing in this paragraph 3(a) shall be construed so as to preclude ABC from initiating discussion regarding changes in the exception television provisions or any other aspect of said Plan. Any modifications of the Plan after adoption which adversely affect ABC's rights shall be subject to mutual agreement.

(b) The 1982-1985 Plan will not contain provisions similar to those contained in parts (b), (c), (d) and (e) of Article 22 of the 1978-1981 Plan; provided, however, the 1982-1985 Plan shall include a provision requiring ABC and the other carrying network each to produce and televise annually a pre-season promotional show, or in lieu thereof another promotional show approved by the NCAA Football Television Committee, each show to be one hour in length, designed to stimulate interest in collegiate football.

(c) The 1982-1985 Plan will provide that the network controlling the date for the series games shall have a right of first negotiation for a period of time to be determined by the member (which period shall be reasonable under the circum-

stances) before a member concludes a contract for an exception telecast of a game on that date.

(d) The 1982-1985 Plan will provide that the carrying networks shall be provided an opportunity to change coverage from one-sided games to more competitive games during regional telecasts under the following rules: (i) such coverage shall not be changed until after completion of the half time program, (ii) such coverage shall not be changed in a game in which the point differential is less than 18 points; (iii) such coverage shall not be changed in the home television market areas of the participants; and (iv) such coverage shall not be changed by each network more than once per season for any team.

4. (a) The commercial minutes in each exposure shall be distributed in accordance with the Commercial Format attached hereto which contemplates an overall limit of 26 commercial minutes per exposure.

(b) Only sponsors approved by the Football Television Committee may be utilized for any football game or other program telecast pursuant to the 1982-1985 Plan. Approved sponsors shall not include advertisers of the following: Alcoholic beverages (except malt beverages, beer and wine as limited in subparagraph 4(e) below), cigarettes, professional sports organizations or personnel (except as specified hereafter) and any advertising which portrays or otherwise directly promotes gambling. Advertisements shall be prohibited that contain reference to or photographs of the games, personnel (except as specified hereafter), broadcasts, telecasts or other activities of professional sports organizations. No advertisement may relate the advertiser, or the advertised product, to any institution or athlete involved in the game or program, or to the NCAA, unless prior written approval has been granted by the Executive Director of the NCAA.

(c) NCAA policy excludes advertisements featuring active professional football athletes. The network shall inform each of its advertising sponsors of this NCAA policy and the importance thereof to the NCAA. If any such sponsor determines nevertheless to advertise contrary to said policy, the network will inform NCAA of that fact and will use every reasonable effort to avoid any repetition of that action by such sponsor. Advertisements featuring active professional athletes in other sports shall be permitted.

(d) NCAA intends the restrictions contained in subparagraphs 4(b) and 4(c) above, and 4(e) below, to apply to advertisements presented by local stations during station breaks in such telecasts. ABC shall inform its local stations carrying such telecasts of such restrictions, and should NCAA or ABC observe infractions of these restrictions by such local stations, ABC will take appropriate action immediately with the station or stations involved; provided failure to comply by local stations shall not in and of itself constitute a breach of this contract.

(e) Sponsors advertising malt beverages, beer or wine are approved on a limited basis in game telecasts, pre-game shows and post-game shows. In each pre-game show, three such 30-second commercials, and in each post-game show originating from the site of a game two such 30-second commercials may be presented. There shall be no limitation with respect to such commercials in post-game shows originating from the studio. There shall be within each game telecast, a maximum of nine such 30-second commercials: One within positions one to three, one within positions four to six, one within positions seven to nine, one within positions 10 to 11, one within positions 12 to 14, one within positions 15 to 17, one within positions 18 to 20, one within positions 21 to 23, and one within positions 24 to 25 (as such positions are set forth in the attached Commercial Format). There shall be no more than 270 seconds of

commercial time permissible for such sponsors in the aforesaid nine allowable positions during each game.

In any other show televised under the provisions of this agreement or the 1982-1985 Plan, sponsors advertising malt beverages, beer or wine are approved for a maximum of three 30-second commercials during each 30-minute period.

(f) NCAA agrees to request its members not to permit cigarette advertising in their stadia during the telecast of any series game.

5. The award to ABC shall be subject to the approval of the terms of this contract by a two-thirds vote of the members of the NCAA Council present and voting within three days after the date of execution. If the Council fails to approve such contract, NCAA will give the network in writing the specific objections of the Council, will negotiate in good faith with the network in an attempt to satisfy such objections for five business days from the date of receipt by ABC of such objections, and will not grant such rights to any third party during such five-day period. If such objections are not satisfied within such five-day period, this agreement shall terminate. The award to ABC is subject to the following further terms and conditions:

(a) ABC's rights with respect to telecasting of the games acquired by it and included in its 14 exposures shall consist of the right to simultaneous telecasting, pursuant to the Plan, throughout the world in any area in which simultaneous telecasting is possible and will occur. Additionally, ABC's rights shall include the right to telecast such exposures on a delayed basis in Hawaii and Alaska within seven (7) days following the game provided such a telecast shall not conflict with any high school game. ABC's rights shall include the right to use excerpts of the games of any length on a delayed basis anywhere in the world, in any news or sports program within 48 hours of

the conclusion of the game, and thereafter excerpts of two minutes or less for newscasts, ABC's promotional purposes and anthologies produced by ABC. ABC's rights shall include the right to telecast in full on a delayed basis any series game previously telecast by it hereunder as fill in the event that substantially all of any telecast of the basic series of games by ABC hereunder is prevented due to any of the reasons set forth in paragraph 5(g) hereafter. ABC shall have the right also during regional telecasts of the games of the series to utilize in the post game show of the game in one region live coverage or the taped highlights of games telecast by ABC in other regions that day.

(b) The television rights acquired by ABC from the NCAA's members may include the right to telecast, cablecast or otherwise exhibit anywhere in the world except in the United States, its territories or possessions, the games included in its 14 exposures, or any part or parts thereof, by any and all means of delayed visual communication, including delayed telecasting and cablecasting, by use of video tape, cassette cartridge, video disc, record, film or otherwise provided that, if ABC acquires such rights, ABC shall pay to the participating NCAA members not less than 55% of the gross receipts derived from the use of the rights in this paragraph described less "expenses." Expenses shall include costs in connection with preparation, dubbing, subtitling, converting, packing and shipping any film or tape of the coverage, foreign taxes levied upon or arising in connection with the use of such rights and the cost of any raw stock, and residuals or other fees not exceeding scale, which may be claimed per contract by writers, talent, or other persons who were involved in the original production or telecasting.

(c) The television rights acquired by ABC from the NCAA's members also may include the right to exhibit in

the United States, its territories or possessions, the games included in its 14 exposures, or any part or parts thereof, by such means of delayed visual communication as videotape, cassette cartridge, video disc, record, film or otherwise, but excluding all forms of telecasting and cablecasting, provided that if ABC acquires such rights, ABC shall pay to the participating NCAA members not less than 55% of the gross receipts derived from the use of the rights in this paragraph described less "expenses." Expenses shall include costs in connection with preparation, dubbing, subtitling, converting, packing and shipping any film or tape of the coverage, taxes levied upon or arising in connection with the use of such rights and the cost of any raw stock, and residuals or other fees not exceeding scale which may be claimed per contract by writers, talent, or other persons who were involved in the original production or telecasting.

(d) ABC will provide to NCAA at cost (not exceeding $250 per set) one complete set of three-quarter inch video cassettes for each game telecast by it; and NCAA may use all or any part of each set of video cassettes for any non-broadcast purpose, and NCAA may use excerpts of each cassette in any manner it deems fit. If NCAA uses any cassette for any non-broadcast commercial purpose other than for purposes of promoting college football it shall pay to ABC a reasonable portion of the net receipts for such use. If NCAA uses more than four minutes of any cassette for any broadcast purpose (other than for news clips) It shall pay to ABC a reasonable portion of the net receipts for such use. NCAA agrees that it will in connection with all uses thereof delete from each such video cassette all commercial and promotional announcements (other than NCAA promotional announcements) and the voices and images of ABC personnel. NCAA agrees to defend and indemnify ABC against any fees or payments which may be claimed by others for any

use by NCAA of such cassettes for other than file and reference purposes, provided ABC shall notify NCAA of any such obligations of which ABC has knowledge when such cassettes are furnished to NCAA. Upon NCAA's request and NCAA's expense for any additional costs incurred ABC shall make any such cassette available to NCAA in New York City on the Monday following the game.

(e) If, during the 1982 through 1985 NCAA football seasons, there are telecasts or cablecasts not contemplated under this agreement of major college football (i.e., Division 1-A) involving as participants present members of the NCAA or if major college football members (i.e., Division 1-A) of the NCAA are bound on or after April 1, 1982 by agreements to telecast contrary to the 1982-1985 NCAA Football Television Plan, or refuse on or after April 1, 1982 to participate in said Plan, then either party may by written notice to the other within thirty days thereafter initiate negotiations for modifications of the terms of this agreement, including a reduction in the minimum aggregate compensation based upon the anticipated loss of audience attributable thereto and the resultant damage to ABC's rights. If agreement on such modification of terms cannot be reached after thirty days of negotiation, then ABC may elect to terminate this agreement by written notice given to the NCAA within five days after the conclusion of such negotiation. In the event the agreement with the other network is terminated by the other network for any of the foregoing causes, then upon written notice from NCAA to ABC this agreement shall terminate. In the event this agreement is terminated by ABC for any of the foregoing causes NCAA shall be free to amend or revise its 1982-1985 Football Television Plan or program and to negotiate freely and in any manner with ABC and/or any third party for the televising of the football games of its members. In the event this agreement is terminated by

NCAA for any of the foregoing causes NCAA shall be free to amend or revise its 1982-1985 Football Television Plan or program, but ABC shall then have a right of exclusive prior negotiation for television rights under any new plan. Said negotiations shall be conducted during normal business hours, for a period of five consecutive business days, said period to commence, after consultation with ABC, upon written notice from the NCAA to ABC. If the parties cannot reach agreement during such five days, the NCAA will reduce its final offer to writing and agrees not to contract for the same rights with another network for a lesser monetary figure without giving ABC two business days to accept same.

(f) If this contract subsists for its full term the rights granted to ABC shall include a prior negotiation right for the sale of live broadcast television rights for one or more seasons covered by any NCAA Football Television Plan for a term immediately subsequent to the period of this contract. Such prior negotiation right shall mean that NCAA will negotiate in good faith with ABC with regard to price and such other and additional terms and conditions therefor as NCAA shall elect during a 30-day period selected by NCAA after consultation with ABC. Such negotiation may take place contemporaneously with negotiations with the other major broadcast television network having series rights under the 1982-1985 Plan if the subsequent Plan contemplates two or more broadcast networks. If the subsequent Plan contemplates the use of only one broadcast network, such negotiation shall take place prior to negotiation with any other television broadcast network and shall encompass all such rights. Said 30-day period shall commence no earlier than March 1, 1985, and shall be concluded before September 1, 1985. Negotiations during said 30-day period shall be conducted only during normal business hours (9:00 a.m. through 5:00

p.m.) and on normal business days (Monday through Friday, excluding national holidays), unless otherwise agreed by the parties. If by the end of such 30-day period the parties negotiating have not reached agreement, NCAA will furnish ABC with the written terms and conditions of its final offer and ABC shall have three business days to accept same. If ABC fails to accept said written offer within said period, then the NCAA shall be free to negotiate at will with anyone with regard to the rights subject to that negotiation. NCAA shall not be prohibited from talking to any other person regarding such television rights during or prior to the aforesaid negotiating period, provided NCAA does not offer to sell the television rights to be negotiated, or negotiate with respect to the sale of same, during or prior to the negotiating period relating to same. Notwithstanding the foregoing, the NCAA may negotiate with respect to cable/pay television rights referred to in subparagraph 5(o), below, contemporaneously with but not prior to negotiations with ABC with respect to broadcast television rights, provided however NCAA shall not enter into a contract with respect to such cable/pay television rights with any other party prior to the conclusion of negotiations with ABC hereunder.

(g) In the event that the telecasting by ABC for any exposure of the basic series of games during the 1982, 1983 and 1984 NCAA football seasons is totally prevented due to war or national emergency, governmental restriction, preemption for an event of overwhelming public importance the occurrence of which is not within the control of ABC, the application of broadcast standards developed by ABC to insure compliance with governmental requirements, weather, labor dispute (on two occasions only), act of God, failure of transmission facilities, or other like causes beyond ABC's control, or the failure to play any such game, then ABC may either substitute another game

or games for telecast on the same date or, if this is impossible because of scheduling difficulties, telecast an additional game or games on a later date in lieu thereof, and there shall be no diminution of the aggregate minimum compensation payable hereunder. If such telecast prevention occurs in the 1985 season and because of scheduling difficulties it is impossible to make up the "lost" telecast in 1985, ABC shall use its best efforts to reschedule the telecast for a date in 1986 or 1987 if ABC has the television rights for similar games for those years, but if ABC is unable to do so because of scheduling difficulties, there shall be no diminution of the aggregate minimum compensation payable hereunder with respect to the first exposure thus prevented, but there shall be a proportionate reduction in the minimum aggregate compensation payable hereunder with respect to any additional exposure thus prevented.

(h) In the event that any telecast of the basic series of games by ABC is commenced but is thereafter materially interrupted due to any of the reasons set forth in subparagraph 5(g) above, it is understood that ABC shall reschedule for inclusion in a subsequent game or games (in addition to the commercials permitted in the format for such game) at later dates during the term of this contract, or in 1986 if ABC has the television rights for similar games for 1986, any commercials ABC is unable to telecast because of such material interruption. However, should the number of commercials or other circumstances be such as to make it unreasonable in NCAA's opinion to reschedule such commercials in a later game or games, or if such rescheduling is impossible because ABC does not have the television rights beyond 1985 and the lost commercials cannot be made up in 1985, there shall be a proportionate reduction in the moneys payable pursuant to this Agree-

ment based upon the number of commercials actually telecast in relation to the number of commercials scheduled and sold.

(i) It is understood and agreed that for the purpose of paragraph 5(g) hereof, the requirements of the Plan with respect to appearance limitations and requirements may be waived by the Television Committee.

(j) ABC shall schedule its NCAA football programming to allow a reasonable post-game show consistent with prior years; provided that the parties hereto agree that ABC shall be automatically released from the requirement of telecasting any such show if such telecast would cause ABC to violate any applicable provisions imposed by the Federal Communications Commission.

(k) Division I-AA Championship Football Games played in the Eastern (light levels permitting), Central or Mountain time zones will be scheduled to commence at approximately 1:35 p.m. current New York time ("CNYT"), except that a game in the Mountain time zone shall commence at approximately 2:05 p.m. CNYT unless NCAA elects to start the game at the earlier specified time and except ABC will endeavor to commence its telecast of a game in the Central time zone so that the kick-off shall occur at approximately 2:05 p.m. CNYT.

(l) In the event ABC desires to telecast a series game not theretofore scheduled involving as a participant a member of the NCAA which was not eligible for an appearance under the Plan until less than one week prior to such game, it can procure a waiver of the five days selection limitation to be set forth in the Plan upon application to the NCAA Television Committee prior to contacting such participant.

(m) On the day a Division I-AA, Division II or Division III Championship football game is played ABC agrees not to telecast or authorize the telecast of any of

said games, or any other college football game, from a transmitter located within 120 miles of the site of any of the said games without NCAA's approval, nor to telecast in the home television market of any participating team if, in NCAA's opinion after consulting with ABC, such telecast would reduce attendance at any such game. If the site of such Division I-AA, Division II or Division III Championship game is within 120 miles of a transmitter serving a television market of over 500,000 homes and a Series game is scheduled to be telecast over said transmitter in conflict with any such Championship game, ABC shall have the right to telecast the Series game over such transmitter as an exception to the aforesaid limitation, unless NCAA notifies ABC to the contrary which notice shall only be given for reasonable purposes not inconsistent with its past practices with respect to such Championship games.

(n) If ABC shall be televising NCAA football games under this agreement in a season in which Division I-A football playoffs are instituted, the NCAA Council will recommend to the appropriate authority that ABC be given the exclusive right of first negotiation with respect to the televising of such playoffs.

(o) NCAA shall advise ABC when it is prepared to negotiate the sale of rights for the supplementary series for simultaneous televising of football games on cable and/or pay over-the-air television as described in the Principles ("Supplementary Series"), and will afford ABC a non-exclusive opportunity to negotiate for same. NCAA represents that the following rules will specifically govern the Supplementary Series:

(i) Any team which appears in a game broadcast nationally on a network series in any year may not appear on the Supplementary Series in the following

year. For example, if team X appears in a game broadcast nationally on a network series in 1981, it may not appear on the Supplementary Series in 1982. Likewise by way of example, if team X appears in a network series national telecast in 1982, it may not appear on the Supplementary Series in the next year, 1983.

(ii) If a team appears in a network series regional telecast once in any year, it may appear twice on the Supplementary Series the following year.

(iii) Any four teams which have appeared twice in network series regional telecasts in any year, may each appear once on the Supplementary Series the following year provided their respective opponents have not so appeared twice in the previous year. Except for such four teams, if a team appears two or more times in network series regional telecasts in any year, it may not appear on the Supplementary Series the following year.

(iv) If a team does not appear in a network series telecast in any year, it may appear three times on the Supplementary Series in the following year.

(v) Appearance on the Supplementary Series will not reduce an institution's appearance opportunities on the network series.

(vi) The two carrying networks for the network series will be given first choice of all NCAA games in each year.

(vii) In the Supplementary Series there may be no more than a total of 36 exposures in each of the first two years and 40 exposures in each of the last two years of the Plan. There may be no more than two exposures on each of the 14 Saturdays of the Tele-

vision Series aggregating 28 such exposures per year. Further, it is agreed that the two exposures permitted on each of the 14 Saturdays of the Television Series must originate in concurrent time periods (i.e., the starting times of these two exposures must be within 15 minutes of one another). For the purposes of this subparagraph (o), an "exposure" shall mean the cablecast and/or pay telecast of a single game into each television market on a network on a single date. An exposure may consist of a single game or regional cablecasts and/or pay telecasts of up to four games.

(viii) No Supplementary Series cablecast and/or pay telecast may start prior to 7:00 p.m. Eastern time on any date on which a network series telecast is scheduled to begin after 3:45 p.m. Eastern time, or may conflict with any part of a network series telecast which has been scheduled for 12 days or more (e.g., a prime time network telecast), or may conflict with any part of a 3:45 p.m. Pacific Time Zone regional telecast with the following exception: If a carrying network schedules a 3:45 p.m. Pacific Time Zone regional telecast pursuant to paragraph 18 of the Ground Rules a supplementary series cablecast and/or pay telecast may conflict with such regional telecast only if the supplementary series cablecast and/or pay telecast consists of a national presentation of a single game. If the supplementary series cablecast and/or pay telecast consists of regional cablecasts and/or pay telecasts, then the regional cablecast and/or pay telecast for the Pacific Time Zone may not conflict with any part of a carrying network's 3:45 p.m. Pacific Time Zone regional telecast.

6. ABC and the other carrying network for the network series shall produce and telecast the National Collegiate Foot-

ball Championships of Divisions I-AA, II and III during the 1982 through 1985 NCAA football seasons, as specified in the 1978-1981 NCAA Football Television Plan except as modified by the terms of this paragraph, such games to be televised on a parity basis to be negotiated separately by each of the two carrying networks and the Football Television Committee. The television scheduling of such games shall take into account the obligations of either carrying network to televise professional football regular season and playoff games on the second and third Saturdays in December, it being understood that NCAA shall not schedule the games which ABC is obligated to televise so as to conflict with ABC's obligations to telecast NFL regular season and/or playoff games. If agreement on scheduling telecasts on such parity basis is not reached, such Championships shall be scheduled as hereafter provided. In any event the areas of coverage and release shall conform to the following provisions:

(a) On the first Saturday in December of 1982 and 1984 ABC shall telecast, and on the first Saturday in December of 1983 and 1985 the other carrying network shall telecast, in the areas of natural interest of the participating institutions and the sites thereof if such games are sold out, the Division II semifinal games and the National Collegiate Division III Football Championship game, such areas of release to be agreed upon by the respective carrying network and the Football Television Committee.

(b) On the second Saturday in December of 1983 and 1985 ABC shall telecast, and on the second Saturday in December of 1982 and 1984 the other carrying network shall telecast as a national exposure on a cumulative basis the Division I-AA semifinal games and the National Collegiate Division II Football Championship game, with the respective areas of release to be approved by the Football Television Committee.

(c) On the third Saturday in December of 1982 and 1984 ABC shall telecast, nationally, and on the third Saturday in December of 1983 and 1985 the other carrying network shall telecast nationally, the National Collegiate Division I-AA Football Championship game.

(d) "Areas of natural interest" shall mean the general geographical areas occupied by members of the competing institutions' conferences, and if a competing institution is not a member of a conference, then the general geographical areas occupied by the competing institution's traditional rivals. The Committee may agree to an area of release deviating from complete coverage of the areas of national interest when special circumstances so warrant.

(e) In the event the areas of natural interest include one or more of the top five markets and the carrying network is concurrently presenting a series telecast the carrying network will have the right, upon the Committee's prior approval, to carry the game on a delay basis commencing not later than 8:00 p.m. the same day.

7. ABC understands and agrees that this agreement may be disclosed upon request, to any qualified representative of an NCAA member which has a legitimate interest, and that copies thereof may be furnished by the NCAA, to any chief executive officer of any active NCAA member institution in accordance with the NCAA Council's policy governing disclosure. The parties agree otherwise to endeavor to keep this agreement confidential.

8. In accepting the rights herein awarded to it ABC agrees to telecast the games of each exposure and the appropriate football championship games in each of the years covered hereby in accordance with the terms of this agreement. Such rights may not be assigned without the consent of the NCAA.

9. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and this Agreement cannot be changed or terminated orally.

10. All notices hereunder shall be in writing and shall be by personal delivery or by mail or by telegraph, at the respective addresses of the parties hereto, hereinabove set forth, or such other address or addresses as may be designated by either party. Such notices shall be deemed to have been given upon being mailed, postage or other charges prepaid, or upon delivery to a telegraph office, charges prepaid or to be billed.

This agreement on the part of ABC is subject to approval by the board of directors of American Broadcasting Companies, Inc. on or before February 28, 1982, and if so approved shall include the agreement of American Broadcasting Companies, Inc. to guarantee this agreement.

ABC SPORTS, INC.

By /s/ James R. Spence, Jr.
Senior Vice President

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

By

Executive Director

COMMERCIAL FORMAT

The commercial format for NCAA College Football for 1982, 1983, 1984 and 1985 shall include 26 minutes distributed as indicated:

Start of Game Telecast

(1) Commercial (30 seconds or 60 seconds)**
(2) Commercial

Start of First Quarter

(3) Commercial
(4) Commercial
(5) Commercial
(6) Commercial

End of First Quarter

(7) 2 Commercials (60 plus 60)

Start of Second Quarter

(8) Commercial
(9) Commercial
(10) Commercial
(11) Commercial

End of Second Quarter

Halftime
Station break (63 seconds) T
(12) Commercial *
(13) 2 Commercials (60 plus 30)

Start of Third Quarter

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* 30 seconds of this may run adjacent to commercial position No. 2.

** Commercial positions Nos. 1 and 25 are to total 90 seconds. Duration of each to be network's option.

T If the policy of the carrying network concerning the length of station breaks changes from 63 seconds, the Football Television Committee will consider the change and will approve it if reasonable.

(14) Commercial
(15) Commercial
(16) Commercial
(17) Commercial

End of Third Quarter

(18) Commercial
Station break (63 seconds) T

Start of Fourth Quarter

(19) Commercial
(20) Commercial
(21) Commercial
(22) Commercial

End of Fourth Quarter

(23) Commercial +
(24) Commercial +
(25) Commercial (30 seconds or 60 seconds) ** +

End of Game Telecast

("Commercial" means an interval for commercials.)

** Commercial positions Nos. 1 and 25 are to total 90 seconds. Duration of each to be network's option.

+ Commercial No. 25 may not be inserted into fourth quarter. Commercial positions Nos. 23 and 24 may be inserted into the fourth quarter if position No. 23 is preceded by a natural timeout used for game commentary, and if there are sufficient natural times out thereafter to accommodate them. In addition if the length of the game telecast will exceed three hours and five minutes, then, following another natural time out used for game commentary, an additional 60 seconds of commercial time may be used during the fourth quarter within a natural timeout following a score (touchdown, field goal or safety).

T If the policy of the carrying network concerning the length of station breaks changes from 63 seconds, the Football Television Committee will consider the change and will approve it if reasonable.

DEFENDANT'S EXHIBIT MI

September 22, 1981 (d)

GROUND RULES FOR TWO-NETWORK SCHEDULING OF THE 1982-1983 AND 1984-1985 NCAA FOOTBALL TELEVISION SERIES

1. The NCAA Football Television Committee (or a subcommittee of the Football Television Committee) shall adjudicate the scheduling process in accordance with these ground rules and the NCAA Television Plan to be adopted.

2. It shall be the goal of the NCAA Football Television Committee that the two series of 14 exposures as carried by the two contracting television networks shall be as equal and balanced as possible. The Committee shall retain the right to reject any selection which, in its judgment, would have the effect of injuring or restricting the scheduling opportunities of the other network contrary to the goals of these ground rules and the Plan. At the conclusion of the process set forth in Nos. 4 and 5, the Committee may reverse for that season the order of selection described in No. 6 if, in its opinion, the selections to that point have resulted in one of the carrying networks being significantly disadvantaged compared with the other network as to the attractiveness and ratings potential of its schedule.

During the four years of the Plan, the Committee reserves the right, after separate consultation with each of the networks, to make modifications in the selection process herein deemed necessary for the benefit of the series.

3. There shall be no restriction on communications between each of the two carrying networks and NCAA member institutions.

4. Not later than March 1, each year, the Committee shall ascertain the preferences of each of the networks for a minimum of three "special dates" per network on which each

network shall present telecasts during that season, and the Committee shall endeavor to resolve any conflicts. Any unresolved conflicts remaining shall be resolved by a draft, started by a flip of the coin, whereby each network selects its remaining special dates. In each such case, the network shall select a specific date, a specific game (or games) and a specific time of day at which it shall present the selected game(s).* The "special dates" are: the initial Saturday of the series each year; Thanksgiving; the Friday and Saturday following Thanksgiving; the first Saturday in December; Labor Day; Veterans Day; weeknights, Monday through Thursday, and any Saturday night approved by the Committee. Each network may be authorized to televise on the same special date, but head to head scheduling or overlaps shall not be authorized thereon except as provided in paragraph 16 thereafter, and except if both networks select the Friday following Thanksgiving, then an afternoon exposure shall be available to each network on that Friday, and in such case minimal overlap may be scheduled during the period from 2:45 p.m. Eastern Time to the conclusion of the first telecast which shall start at the normal time for an early exposure of a doubleheader (12:20 to 12:35 p.m. Eastern Time).

To initiate the drafting process, a coin shall be flipped to determine which network shall have the right of first selection in 1982. Thereafter, the networks shall alternate selections until the minimum three special dates have been picked for each

* The selection of the specific game may occur at any time until Monday of the week of the game, but if selection of the game for a special date is delayed, the move of a game from another date can only be made from a date the network controls. In no such case, however, shall the selection of a special date constitute control of any game on that date until the end of the equity draft phase (paragraph 5) or until selection of the specific game (which selection can only be made from the remaining unselected games on that special date), which ever first occurs.

network. The 1982 network also shall have first selection in 1985 at whatever phase of the selection process an initial choice is made. The other carrying network shall have rights of first selection in 1983 and 1984.

5. Once the foregoing scheduling has been completed, the Committee shall call a meeting of the two networks between March 15 and May 15, at which time each network shall select two games (hereafter called "equity games") to be telecast during that year's football season. The objective shall be to establish an equitable foundation of games chosen by each network for its schedule. The number of "equity games" to be selected at that time may be increased upon the separate agreement of each of the two networks and approval of the Committee.

The network which had the second selection of special dates shall select first in the equity draft. The two networks then shall alternate selections until the equity games have been selected. These selections shall be subject to the confirmation by the Committee as in the best interests of the membership and the stated purposes of this Plan.

The network first selecting a game on a date shall control the time sequence of the presentations on that date if a doubleheader is scheduled.

6. Immediately thereafter, the two networks shall choose through alternating selections the remaining dates of the series on which one or the other will have "control," i.e., first right of selection of game(s), authority to adjust game times to meet the provisions of Ground Rule 14 and the option of moving a game per Ground Rule 11. The network which had the last selection of equity games shall have first selection of a date from the remaining series dates and thereafter the selection of the remaining dates will be alternated between the networks. Games to be presented on these dates shall be picked on a weekly basis not later than 11:30 a.m. Eastern Time on the Monday of the week in which the game is to be played.

As with all other scheduling selections, choice of these games shall be subject to the approval of the Committee as consistent with the purposes of the Plan and the endeavor to achieve a balanced program for the two networks.

7. By May 15, if the selections made at this point have not provided one (or both) of the networks with two games in early September, the Committee may require the selection of an additional game or games on a September date on which the network has control in order to have early-season promotional opportunities.

Thereafter, selection of games to be televised will be made by each network on a weekly basis as provided above, according to the sequence previously established.

8. A Saturday afternoon exposure shall be available each week to each network. It shall not be a requirement that each network televise a game or games each week of the series, but at least one such telecast shall be required each week.

9. Those occasions on which regional or national exposures are to be presented shall be determined by the respective networks, so long as the annual requirements of the Television Plan for 14 exposures and 70 team appearance opportunities per network are satisfied. Each network shall present a combination of either seven national and seven regional exposures or eight national and six regional exposures per year, at its option. During a regional exposure, a network may televise from three to six games.

10. On a date on which it has first right of selection, a network may elect to present its game(s) early or late, regionally or nationally. Game times may be adjusted as required. The second network will utilize the remaining time slot, if each network is televising on that date, and may present a regional or national exposure, at its option.

If the network which controls the date (Network A) elects to present a regional telecast and Network B elects to present a national telecast, then Network A shall select one regional game first, Network B shall select its national game second and Network A then shall complete its regional selections.

If Network B elects to present a regional exposure, then the networks shall alternate selection of games, with Network A making selections 1-3-5-7 and Network B selections 2-4-6-8.

11. A network may move any game from any date on which it has first selection rights (including the special dates described in paragraph 4 above) to another date in order to strengthen its overall schedule. In such a case, the network which was to pick second on the date from which the game was moved then selects its game(s) for that date and controls the time; the other network then picks its game(s) for the date.

If a network which is to select second on a date wishes to move a game from that date to another date which it controls, it may do so at the time of its selection turn on the initial date. Right of next selection then reverts to the network which had first selection rights.

12. The release of any regional telecast shall be confined to not more than 65 percent of the nation's television households. Once during each two-year period of the 1982-1983 and 1984-1985 NCAA football seasons, each carrying network may request the Football Television Committee to approve a regional release pattern in which one of the regional games will be televised in an area comprising up to 75 percent of the television households in the 48 contiguous states; further, when special circumstances warrant, a carrying network may devise a regional release pattern deviating from the Committee's general policy of requiring coverage throughout the conference area of each team participating in a regional telecast, subject to the Committee's approval which will not be unreasonably withheld.

13. Each member institution shall be eligible to appear on the series of the two networks six times in each two-year period of the Plan, these six appearances to be divided equally between the two carrying networks. Within the six appearances, each such member shall be eligible to appear on four national and two regional telecasts in each two-year period, these four national and two regional appearances to be divided equally between the two carrying networks. Any appearance opportunity not utilized for a national telecast may be used in a regional telecast. Also, no member may appear on the network series more than four times during the first year of each two-year period of this Plan (twice on each network), nor more than five times during each such second year.

14. On those Saturdays when a doubleheader is scheduled, the pregame telecast of the first game shall begin at 12 noon Eastern Time and the kickoff shall occur between 12:20 and 12:35 p.m. The pregame telecast of the second game shall begin at 3:30 p.m. Eastern Time and the kickoff shall occur between 3:45 and 3:50 p.m. At the request of a carrying network, the Committee may adjust those times to further the interests of the program.

15. On dates on which only one network televises, it shall determine the telecast starting time, subject to the approval of the Committee if the time is an unusual time.

16. Scheduled overlaps between the two network telecasts will be permitted only after consultation with each network and only in special circumstances, e.g., situations where inadequate lighting makes it impossible to start the second game of the day (televised by the second network) at a late enough hour to assure that overlap will be avoided; dates when prominent baseball games will be televised, or on the Friday following Thanksgiving Day. Subject to each network's obligation to present 14 exposures, neither network shall be required to televise concurrently with a telecast of a baseball league championship playoff or World Series game. The committee

may authorize concurrent telecasts of series games on dates when such baseball games are televised.

17. Each carrying network shall be required to schedule in each two-year period of the Plan the games of 82 different NCAA member institutions. It is the Television Committee's goal that 115-120 different institutions appear on the two networks' schedules in two years. If, after the first season, it appears the two-year total will not reach 115, the Committee shall request the networks to attempt to schedule additional teams in the second year which did not participate during the first year.

18. When a network is presenting the early (12:35 p.m. Eastern Time kickoff) exposure of a doubleheader, for the regional telecast which will be released in the Pacific Time Zone only it shall be permissible for the network to schedule the release for kickoff at either 9:35 a.m. or 3:45 p.m. Pacific Time, even though the remainder of the regional exposure shall be released with kickoffs at 12:35 p.m. Eastern Time. If it believes it would benefit the series, the Committee may authorize such a Pacific Time Zone release for kickoff at 12:45 p.m. Pacific Time, even though it would thereby be competing with the late (3:45 p.m. Eastern Time) telecast of the other network. It is understood that if a game to be televised with a kickoff at 12:45 or 3:45 p.m. Pacific Time is played in another time zone, it also would be televised concurrently in its immediate area of interest. The Committee will monitor Pacific Time Zone presentations to determine whether due to this provision the members of any conference receive an excessive number of appearances on one or both networks and may prohibit selection by such network(s) of additional regional appearances confined to the Pacific Time Zone for such group of teams. It is understood that the times above set forth in this paragraph are representative of the permissible time spans for kickoffs provided in paragraph 14.

PLAINTIFFS' EXHIBIT 83

AGREEMENT

Agreement dated January 27, 1982 by and between TURNER BROADCASTING SYSTEM, INC. (Turner) and THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION (NCAA).

1. NCAA hereby agrees to grant to Turner the rights during the 1982 and 1983 football seasons for live or simultaneous cablecasting via WTBS-Atlanta within the United States, its territories and possessions of NCAA football games not selected for telecast by any television network which has contracted with the NCAA for the televising of the NCAA football series for 1982-1985.

2. The minimum aggregate compensation to be paid by Turner for such games shall be $7,408,000 for the 1982 season and $10,288,000 for the 1983 season.

3. During each such season Turner may cablecast 19 exposures consisting of 38 team appearances. A minimum of four such team appearances shall be for Division I-AA football institutions. The cablecasts hereunder shall consist of a single exposure televised on each of the 14 Saturdays from the first Saturday in September to the first Saturday in December, a single exposure on Thanksgiving Day, the night of Labor Day, and on three Thursday nights during the season selected by Turner.

4. The commercial time, commercial format and commercial limitations for each game cablecast shall be in accordance with the NCAA Football Television Plan for 1982-1985.

5. Each cablecast shall be in accordance with the format and appearance rules set forth in the attachments to the letter of Wiles Hallock to Terry Hanson, dated December 31, 1981.

6. This agreement is subject to:

(a) Subscription within 15 days from the date hereof by Turner of a detailed written contract which will include the foregoing provisions and other terms not inconsistent with the foregoing, conforming with the principles included in the April 17, 1981 letter of Wiles Hallock to James Frank, and the 1982-1985 NCAA Football Television Plan.

(b) The approval of such detailed written contract by a two-third vote of the members of the NCAA Council present and voting. NCAA agrees that if the Council fails to approve such detailed written contract, NCAA will give Turner in writing the specific objections of the Council and will negotiate in good faith with Turner in its attempts to cure such objections within five business days of Turner's receipt of such objections and will not grant such rights to any third party during such five day period.

TURNER BROADCASTING SYSTEM, INC.

By /s/ Robert J. Wussler
Executive Vice President

THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

By /s/ Walter Buyers
Executive Director

DEFENDANT'S EXHIBIT ZX-1

Expert Report of Dr. William M. Landes

in

The Board of Regents of the University of Oklahoma, et al. v. National Collegiate Athletic Association et. al.

June 9, 1982

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I. INTRODUCTION

I am an economist and I have done most of my professional work on questions concerning the economics of law, the legal system, and antitrust. I received my B.A. in 1960, and my Ph.D. in 1966, from Columbia University. I have taught at Stanford University, Columbia University, the Graduate Center of the City University of New York, and the University of Chicago. I am now the Clifton R. Musser Professor of Economics at the University of Chicago Law School, and I am also one of the principals of Lexecon Inc. I teach introductory economics for law students, economic analysis of law, and antitrust, and I serve as Co-Editor of the Journal of Law and Economics. My recent publications on antitrust topics include *Market Power in Antitrust Cases*, 94 Harv. L. Rev. 937 (1981) (with Richard A. Posner); *Contribution Among Antitrust Defendants: A Legal and Economic Analysis*, 23 J. Law & Economics 331 (1980) (with Frank H. Easterbrook and Richard A. Posner); *Public Policy Toward Airline Mergers: A Case Study*, 11 Bell J. Econ. 65 (1980) (with Dennis W. Carlton and Richard A. Posner); and *An Introduction to the Economics of Antitrust*, in Richard A. Posner & Frank H. Easterbrook, *Antitrust* 1055 (2d ed. 1981). My curriculum vitae and a description of Lexecon Inc. are attached as Appendix A.

I have examined the plaintiffs' allegations and I have studied the NCAA practices challenged in this case. I conclude that the NCAA's football television controls are not anticompetitive and create no antitrust injury. I base this conclusion on my findings that the NCAA controls do not restrict output in the relevant television programming market and that the controls enhance in-stadium attendance.

My analysis of the effects of the NCAA's practices is based on economic principles that are set out in detail in Part II of this report. As I explain there, economists condemn monopoly and

cartels (price-fixing agreements among firms) because they reduce output in a relevant market below the competitive level and thereby create an allocative or deadweight loss. An important aid in determining if a practice by a group of firms is output-restricting is to determine whether the group has market power in a relevant market. Only if it has market power will it be able to reduce output below the competitive level. Conversely, if the group lacks market power, it will be unable to reduce output even if it adopts a practice that restricts its own output. Without market power other firms will increase their output in response to the output reduction of the group, thereby preventing both a decline in market output and an increase in price. In the latter situation there is no allocative or deadweight loss (and indeed there may be a gain if the practice leads to cost reductions or product improvement) and the economist would not consider the practice in question to be anti-competitive or price-fixing.

I also explain in Part II that the NCAA members produce two outputs whenever a football contest occurs: in-stadium attendance and a potentially televised football game. Therefore, the NCAA's television controls cannot be evaluated only by examining output in the relevant programming market because college football telecasts are only one component of a jointly produced product. One must also evaluate the effect on in-stadium attendance.

Part III describes the features of the NCAA's football television controls that are relevant to my economic analysis. I also explain in Part III why the minimum aggregate compensation provision of the NCAA television plan is not output-restricting, and how it avoids the possibility of network monopsony power.

Parts IV and V present my empirical analysis of the effects of the NCAA's football television controls. Part IV focuses on the question what is the relevant programming market in which

to evaluate these controls. Here I analyze program prices, the types of products that are advertised on college football and other programs, and demographic characteristics of viewers of both college football and other television programs. On the basis of my empirical analysis, I conclude that there are a large number of programs that are substitutable for college football on television and, therefore, that the NCAA's share of an appropriately defined market is too small for it to affect output in that market. In short, the NCAA lacks market power. Its television controls do not enable it to affect significantly either the market quantity of programs or viewers available for advertisers.

In Part V, I explain how the NCAA's football television controls enhance the other component of the product—in-stadium attendance at college football games. Using a statistical tool called regression analysis I find a reduction in in-stadium attendance (principally at Division II and Division III schools) when two college football games are televised compared to one on a given day in a particular section of the country.

In sum, the empirical analysis in Parts IV and V of this report lead me to conclude that the NCAA's television controls are not anticompetitive. They enhance overall in-stadium attendance, and do not reduce significantly the number of television viewers available to advertisers.

II. THE ECONOMICS OF COMPETITION AND MONOPOLY

I begin my report by outlining some of the central considerations that guide the economic approach to antitrust. I do so even at the risk of describing economic considerations that already may be familiar to the Court because these considerations are the foundation of an appropriate analysis of antitrust problems in general and, more important, are

fundamental to understanding the antitrust considerations posed by the NCAA practices challenged by plaintiffs in this case.

Antitrust economics is a part of a branch of economics called microeconomics, which involves the study of particular markets rather than the economy as a whole. In microeconomics, therefore, one does not make judgments about economic aggregates such as inflation or national income but asks, rather, how the resources available in particular markets or industries may be best used.

A. ASSUMPTIONS OF ECONOMIC ANALYSIS

Economists analyze behavior on the assumption that people act in a way that seeks to maximize their satisfaction, given the circumstances they confront and external forces that set limits on how they can act. In other words, economists assume that people do the best they can. Thus, consumers will buy those goods and services that maximize the satisfaction they derive from their purchases, given the prices they must pay and their available income. Similarly, owners of productive resources will try to sell these resources at the best prices obtainable given competition from other resources and the willingness of buyers to pay for them. Producers or firms will try to maximize their profits, which are simply the difference between their revenues and their costs.

The assumption that people try to do the best they can leads to certain predictable relationships in market transactions. The most important of these is that when the price of a good or a service increases relative to other prices, people will buy less of it. And when the relative price of a good or service decreases, people will buy more of it. For example, if the price of admission to football games rises relative to prices of other goods or services, some people may stop attending football

games altogether; others may go less frequently and instead go to the movies or watch more television. Consumers (or some of them) will, in other words, substitute one good for another when relative prices change. The process of substitution will continue until the purchaser finds that his last (marginal) football game attended yields as much satisfaction as he could obtain by spending the same amount of money on something else.[1] Similarly, when the price of a productive input (e.g., steel) rises, firms will tend to use less of that input as they substitute toward other inputs (e.g., aluminum or plastic). Again, this process of substitution will continue until the last unit of steel purchased by the firm yields as much revenue (per dollar of cost) as do other inputs.

The price of an item, whether a consumer good or a productive input, serves to allocate it to those buyers who value it most in relation to other things. This process of allocation ensures that resources move to their most valuable uses, i.e., the uses which give buyers the greatest satisfaction. When this process is unimpeded, it produces an efficient allocation of resources; i.e., one yielding the greatest available level of satisfaction from scarce resources.

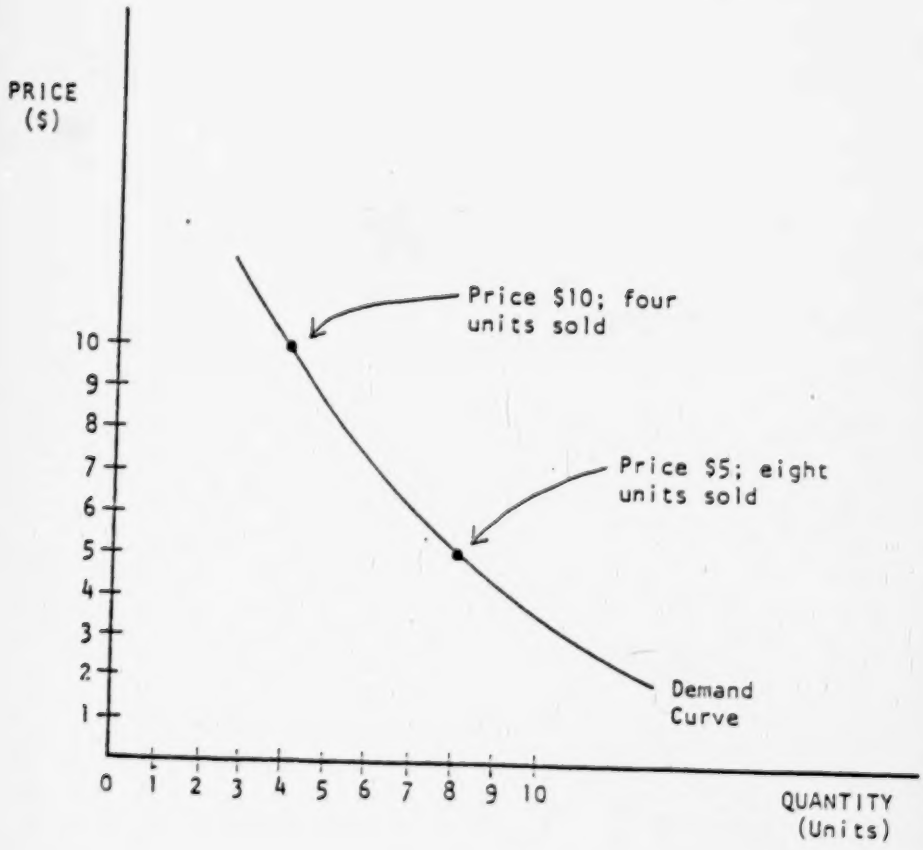
This process of substitution in response to relative price changes produces what is known to economists as the "downward-sloping demand curve." In a graph with price on the vertical axis and quantity on the horizontal axis, the economist will plot points showing how much is demanded at a given price. These points will show that more is demanded as

[1] The price of tickets is not the only cost. The fan must pay for gas, parking, and perhaps a baby sitter. He also values his own time, and will consider time-costs (he could be doing things other than driving and waiting in line) in deciding how much attendance really costs him. It is not essential to explore here the way these costs are considered; to simplify the presentation I assume that all costs have money equivalents.

price falls.[2] See Figure 1. The economist can determine, from knowing the price, what the quantity demanded will be, and he can determine price from observing quantity. When price rises, people demand less; and if the quantity available of a good falls, people will pay a higher price in order to obtain the available supply. This is a familiar observation in daily life. Higher meat prices lead people to substitute chicken; and when prices of cars rise, people keep their cars longer, thus buying in the aggregate fewer per year.

[2] A more formal description would add that price relative to a price index is on the vertical axis and quantity per unit of time is on the horizontal axis. In addition, certain things are held constant along the demand curve. For example, real income of consumers would be held constant along a demand curve for a final product.

Figure 1


PRICE
($)
10
9
8
7
6
5
4
3
2
1
0
1
2
3
4
5
6
7
8
9
10
Price $10; four
units sold
Price $5; eight
units sold
Demand
Curve
QUANTITY
(Units)

B. THE MODEL OF COMPETITION

Economists often use a model of markets known as "perfect competition." In this model, which is a simplified way of looking at markets, each firm in an industry acts as if it has a negligible effect on the price of the product it produces.[3] Thus, although the group of firms that makes up the competitive industry faces in the aggregate a downward-sloping demand curve (see Figures 1 and 2), each individual firm faces a horizontal demand curve. Since the competitive firm cannot affect the price of its product because it faces a horizontal demand curve, it will maximize its profits by choosing the level of output that makes its marginal cost (the cost of the last unit produced) just equal to the price it can obtain. Because every firm in the market makes the same calculation, the competitive industry will operate where marginal cost equals the price consumers will pay, and at that point there will be no incentive for anyone to make, or buy, any more or any less. This is a point of equilibrium.

---

[3] Just how many firms, and of what size, are sufficient for each to have a zero or negligible effect on price is an open question. Almost any firm will have *some* influence over price, if only because other firms cannot instantaneously respond to that firm's reduction in output. But the size necessary for a firm to have appreciable power over price will vary depending on the intensity of consumers' demand for the product, the ability of other producers to expand output, and the availability of substitutes. In some markets, the presence of even two firms would be enough to ensure that the market conforms to the model, and in others (where new firms could enter quickly) even one might be enough. A more complete discussion appears in William M. Landes & Richard A. Posner, *Market Power in Antitrust Cases*, 94 Harv. L. Rev. 937 (1981).

Figure 2

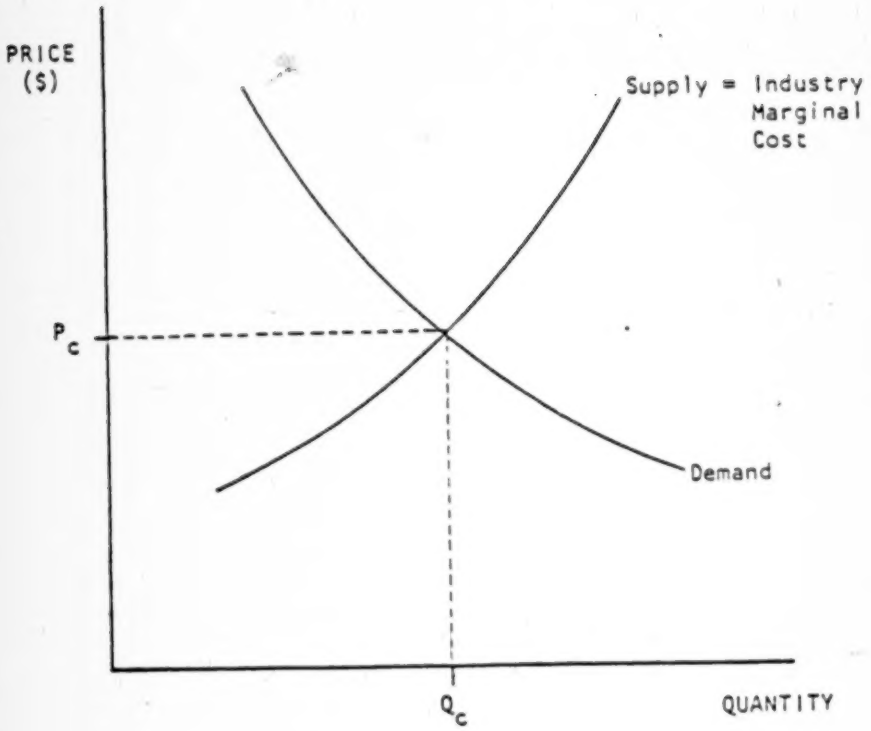


Figure 2 depicts the equilibrium in a competitive market. The curve showing the willingness of producers to supply more of the item (i.e., the industry supply or marginal cost curve) will in many cases slope upward to the right because, in order to make more, resources may be subject to diminishing returns or producers must bid more resources away from other endeavors that consumers also value. The price at this equilibrium will be P_c, and at this price consumers will buy Q_c units.

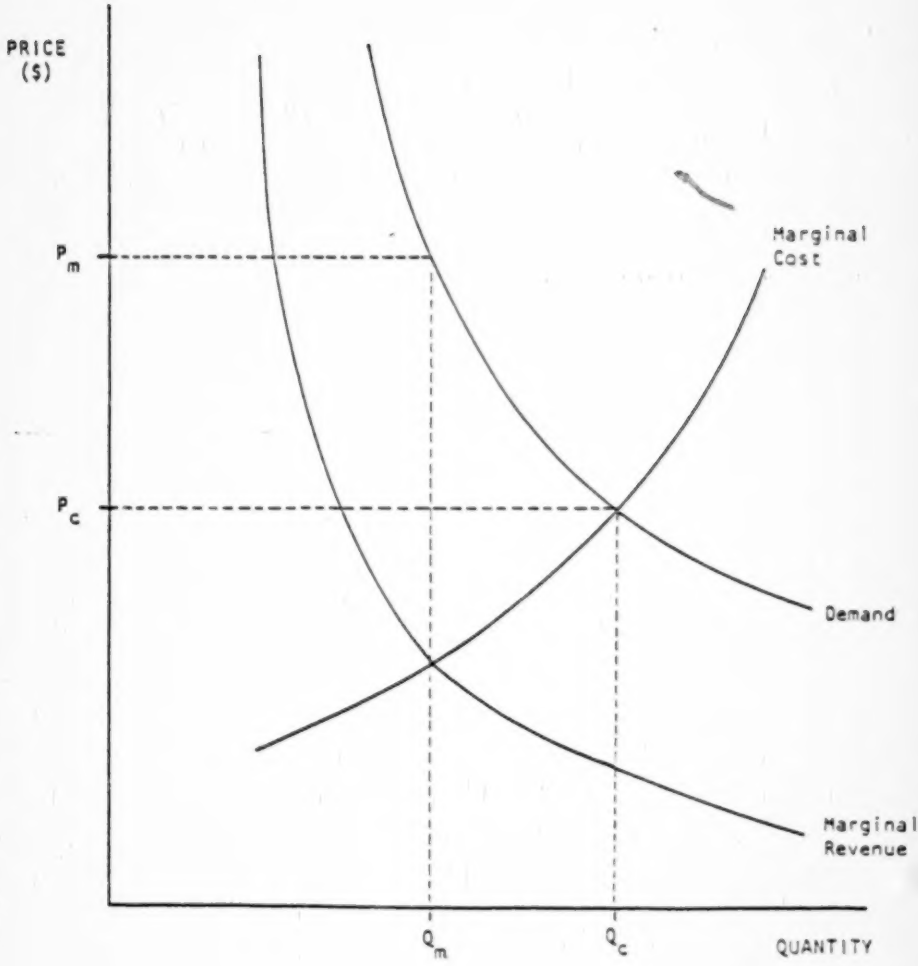
The competitive equilibrium is efficient. It will be recalled that each point on the demand curve represents the monetary value to consumers of the last unit demanded. Similarly, each point on the industry supply or marginal cost curve represents the cost of the last unit of output. Therefore, at the competitive equilibrium, where demand equals supply, the value of the marginal unit to buyers will equal the cost of the marginal unit to sellers. Any other output results in a lower total value to society and therefore is inefficient. For example, at a greater output, the additional cost exceeds the monetary value of the extra output; at a smaller output the value exceeds the cost of making more.

C. THE DIFFERENCE BETWEEN COMPETITION AND MONOPOLY

The competitive model does not fit all real-world markets. If a firm is a monopolist (or equivalently, if all of firms in a market form a cartel), the demand curve facing it will be the industry demand curve, shown in Figure 2. Therefore, the more this firm (or cartel) produces, the less it can charge; this is a necessary consequence of the fact that the demand curve slopes downward to the right. Moreover, if the firm (or cartel) charges the same price for each unit it sells, its decision to make an additional unit also reduces the price it can charge on all *earlier* units. The fall in the price means that this firm must take into account a new consideration, called marginal revenue. Marginal revenue is the amount the firm (or cartel) can make

by selling one additional unit, and it is computed by taking the price of the last unit sold and subtracting the revenue lost on earlier units because their price must be reduced. Marginal revenue, like the demand curve, slopes downward to the right, but the slope of the curve is steeper because at every quantity marginal revenue is computed by taking price (the point on the demand curve) and subtracting something (the reduction in revenue from earlier units). Figure 3 shows demand, supply, and marginal revenue curves together.

Figure 3


PRICE
($)
P_m
P_c
Marginal
Cost
Demand
Marginal
Revenue
Q_m
Q_c
QUANTITY

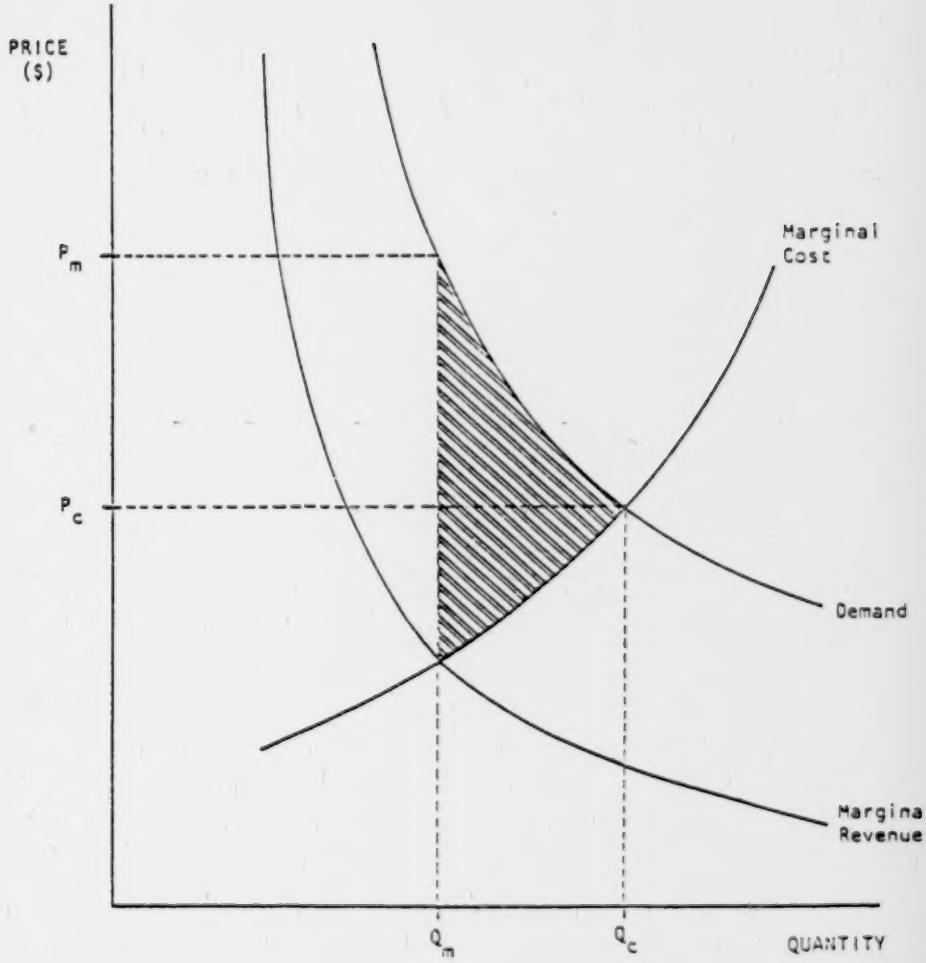
Any firm (or cartel) that faces a downward-sloping demand curve has some power over price in the sense that it can raise the market price above the competitive level by restricting its output. Such a firm (or cartel) maximizes its profits by producing up to the point where the marginal cost of making the last unit equals marginal revenue (the revenue derived from selling that unit). This is the same kind of calculation a firm makes in perfect competition, but because the monopolist or cartel (and not the competitive firm) affects price by changing its output, it finds that its profits are highest when its output is less than the output under competition. Thus, in Figure 3, a monopolist or cartel would find that marginal cost and marginal revenue are identical at point Q_m. If only this quantity is available, consumers will pay P_m for each item. Under competition, where price equals marginal cost, firms would offer Q_c of goods to consumers at price P_c. The monopoly output is less, and the monopoly price more, than the competitive price and output.

D. THE ECONOMIC OBJECTION TO MONOPOLY: RESTRICTING OUTPUT IN THE RELEVANT MARKET

Economists condemn monopoly and cartelization because of this change in price and output. Not that the change is objectionable in itself — there is no intrinsically "right" price and quantity of any item. Monopoly is objectionable, rather, because the reduction in output misallocates society's resources. In short, monopoly is objectionable because it is inefficient. Consider, as an example, the price of college football tickets. If college football is monopolized, or cartelized, ticket prices rise, and people substitute movies, television, and other things even though they could have obtained the same satisfaction, at lower cost in real resources, had they continued to go to college football games. Stated differently, monopoly makes it more costly to satisfy consumers' wants. Because resources are scarce, this extra cost leads to a lower level of consumer satisfaction.

Suppose, to take another example, that in Figure 4 the monopoly price of wheat, P_m, is $2 per bushel, and the competitive price, P_c, is $1. At the monopoly output, Q_m, the monopolist could supply additional wheat for say a marginal cost of $0.70 per bushel. One additional bushel would be worth $2 to consumers and would cost only $0.70 to produce. (That cost is less than the assumed competitive price of $1 because marginal costs will typically rise as output increases. And, as shown earlier, marginal cost will equal price at the competitive output.) The difference between the value of the wheat to the consumer and the cost of making it is lost. As output increases from the monopoly to competitive level this loss per unit decreases because the value of additional units to consumers declines and the marginal costs of making these units increases. The sum of these losses is called the "allocative" or "deadweight" loss of monopoly. The loss includes the entire area between the cost of supplying more wheat and the value consumers place on these units, from the monopoly output Q_m to the competitive output Q_c. The shaded area in Figure 4 represents this allocative or deadweight loss from monopoly.

Figure 4


PRICE
($)
P_m
P_c
Marginal
Cost
Demand
Marginal
Revenue
Q_m
Q_c
QUANTITY

The reason monopolies are objectionable to economists is not because the higher prices for monopolized goods mean more profits for sellers. In fact, the sellers' profits do not use up real resources. They are transfers of wealth in much the same sense that taxes are transfers of wealth from one group to another. Wealth transfers may be desirable or not on political grounds, but they are not the focus of the economic analysis of monopoly. A monopoly is objectionable from an economic standpoint because a reduction in output (which gives rise to an increase in price) creates a deadweight loss and, therefore, is inefficient.

The economist's insistence on achieving the competitive output in a market redounds to the benefit of consumers and thus to the benefit of society (which is, after all, just a composite of all consumers). Recent antitrust cases share this concern with efficiency. *Brunswick Corp. v. Pueblo Bowl-O-Mat, Inc.*, 429 U.S. 477, 488 (1977); *Continental T.V., Inc. v. GTE Sylvania Inc.*, 433 U.S. 36 (1977); *National Society of Professional Engineers v. United States*, 435 U.S. 679, 689-90 (1978); *Broadcast Music, Inc. v. Columbia Broadcasting System, Inc.*, 441 U.S. 1 (1979) (*ASCAP*); and *Reiter v. Sonotone Corp.*, 442 U.S. 330, 342-44 (1979). *ASCAP*, for example, explicitly refers to a cutback in output as the source of the objection to monopolies (441 U.S. at 9-10, 19-20, 22 n.40).

It is especially important to understand that a restriction of output that results in a deadweight or efficiency loss is the essence of the economist's objection to cartelization. There are situations (as discussed below) in which individuals or firms may agree on price but do not restrict output. In such situations the agreement may make possible an efficiency gain and expansion in output. Consequently, economists do not regard every agreement about price as "price-fixing" or cartelization. Only those that restrict output and create an efficiency loss are

condemned by economists.[4] Some examples illustrate this point.

Suppose a few lawyers in New York set up an office and begin to practice as a law firm without formally creating a partnership. Assume at the end of each year they divide up their collective revenues according to an agreed upon formula. Because neither the initial agreement nor the subsequent division of revenues are output-restricting, neither would be labelled cartelization by an economist. Indeed, the formation of the firm may result in increased efficiency and enhance competition.

Similarly, the composer/members of ASCAP and BMI established exceedingly complex formulae for dividing music licensing revenues among themselves but these agreements regarding revenue divisions do not restrict output and do not constitute what an economist would call price-fixing. In fact, the principal practice challenged by CBS in its recent case against ASCAP and BMI (*ASCAP, supra*) was the establishment of the blanket license in licensing musical performance rights, not the formulae for dividing revenues among members. Only a restriction in output of music performance rights (and not the agreement to distribute revenues among composers) could have conceivably led to an efficiency loss. I understand that in the *ASCAP* case the Supreme Court found that there

[4] Theoretically, it is possible for a cartel or monopolist to engage in perfect price discrimination in which a different price is charged for each unit of output so that there is no reduction in output. (In effect, the demand curve becomes the marginal revenue curve.) Some economists would conclude that perfect price discrimination does not create any inefficiency. Others conclude that it results in inefficiency or waste as firms struggle with one another to become the monopolist. *See, e.g.*, Posner, *The Social Costs of Monopoly and Regulation*, 83 J. Pol. Econ. 807 (1975). Perfect price discrimination, however, is merely a theoretical construction. In practice effective cartels or monopolies tend to restrict output and create dead-weight or efficiency losses.

was no restriction of output from the blanket license and consequently no *per se* violation of the antitrust laws. I also understand that the method of dividing revenues among the composer/members was not found to be price-fixing.

To consider a few entertainment examples, suppose that Bob Hope, John Denver, Barbara Streisand, and Neil Diamond agree to form a joint venture to create a series of television specials. Or suppose that two prize fighters (Holmes and Cooney) agree to a televised boxing match. In both situations the principals will undoubtedly agree on a division of revenues among themselves (and others such as their agents, managers, assistants etc.). Neither the formation of a joint-venture to produce the events nor the formula dividing revenue among the participants is output-restricting and neither would be regarded as price-fixing by an economist.

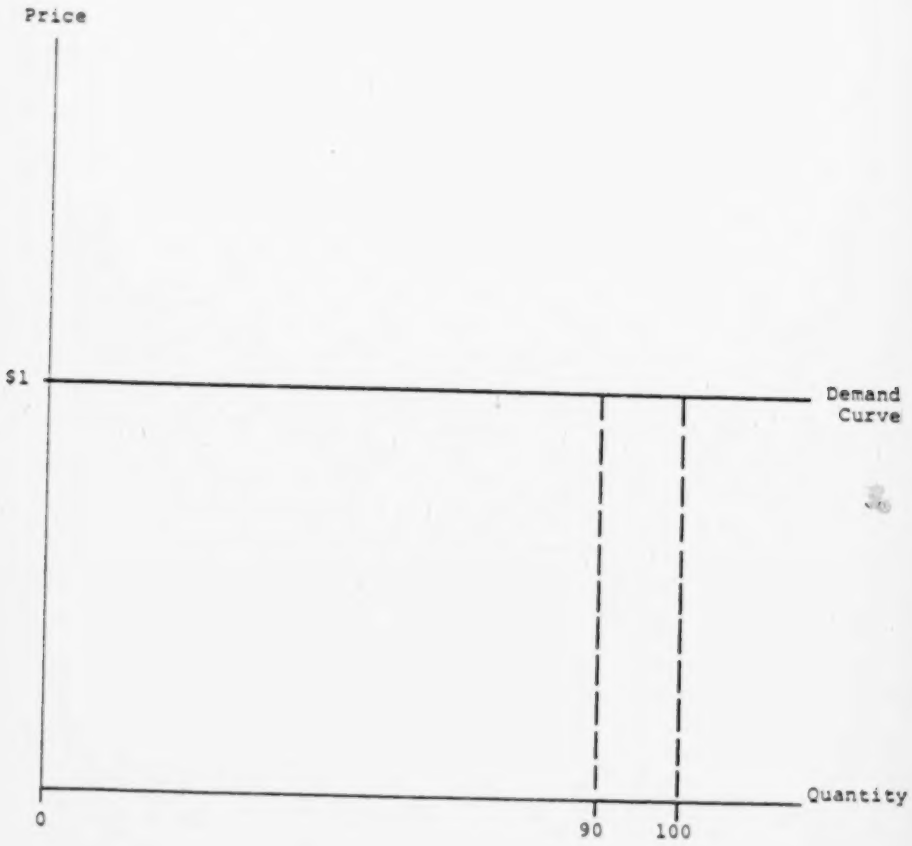
In short, from an economic standpoint it is necessary to determine whether a challenged practice is output-restricting before labelling it price-fixing or cartelization. This determination is called "characterization" in *ASCAP, supra,* at 19-20.

A key factor in determining if a practice of a group of firms is output-restricting is to determine if the firms jointly have market power. Market power, as I have written, ". . . refers to the ability of a firm (or group of firms, acting jointly) to raise price above the competitive level without losing so many sales so rapidly that the price increase is unprofitable and must be rescinded." Landes and Posner, *Market Power In Antitrust Cases,* 94 Harv. L. Rev. 937, 937 (1981). If a group of firms without market power adopts a practice that restricts *its* output, output in the relevant market will not be reduced. That is, other firms will increase their output to offset any reduction by the first group of firms, and therefore price will not increase. Consequently there is no allocative or deadweight loss, and the economist would not consider the practice in question to indicate cartelization.

This last point is illustrated by the horizontal demand curve in Figure 5. Suppose a group of firms facing this demand curve was selling 100 units of output at a price of $1. Now let the group adopt a practice (e.g., coordinating the sales of individual firms through a common selling agent) that restricts its output to 90 units. Because the group has no market power, price will remain at $1 and consumers will not be injured. Differently stated, there is no reduction in output in the relevant market because there are a large number of substitute products that buyers can turn to, or because other firms are able to expand their output in response to the 10 unit reduction by the group. Moreover, since the group gains no monopoly profits by restricting its output, it is likely that the purpose of the practice was to achieve cost savings or to improve the quality of the product. In either case, the final result will be greater allocative efficiency.

The relevance of the above discussion to the NCAA's television controls should be clear. Because I show later that the NCAA lacks market power in the relevant television programming market, its television controls do not enable it to reduce output or raise price in that market. This finding is an important consideration in my conclusion that the practices challenged by the plaintiff in this case are not anticompetitive.

Figure 5



E. JOINT PRODUCTS

Joint products are products that are produced together through a single production process. A typical example given in economic textbooks is cattle raising, where two products, beef and hides, are produced as part of the process of raising steers.[5] College football telecasts and in-stadium attendance are "joint" products because the production of a live game produces both in-stadium attendance and another (potential) output, televised games.

There is, however, an important difference between college football and the beef-hide example. Unlike beef and hides, the two college-football products are linked in demand as well as supply—they are linked in both consumption *and* production. Thus, although some people may watch football on television but would not consider attending a game, others may consider attending a game as an alternative to watching football on television. And they would be less likely to attend games, the greater the number of college football games televised. Since colleges whose games are not televised rely on gate and related revenues to support their football programs, a diversion of their fans to television viewing would have an adverse affect on their football programs, and in the long run might threaten their viability.

For example, Oklahoma, Georgia and some other Division I-A teams may earn more revenue from televising college games than they lose from reduced gate attendance. When these teams are televised, however, it may adversely affect live attendance at other schools, whose gate losses are not offset by television revenues. In short, because of both the joint production of live and televised college football and the demand dependence between the two, the NCAA's television controls cannot be evaluated by examining only the output of televised

[5] Alchian and Allen, *University Economics* 2d (1968) 234-240.

college football — a single component of a jointly produced compound product. One must also evaluate the effect on attendance at live games.

III. THE NCAA PRACTICES CHALLENGED IN THIS CASE

The NCAA is a private, voluntary, non-profit association of about 900 colleges, universities and related associations. I understand that the NCAA regulates recruitment and compensation of college athletes, determines rules of play governing intercollegiate sports, preserves intercollegiate athletic records, conducts regional and national championships, and, in the case of football, regulates the television of games and negotiates network television packages of national and regional games involving NCAA members. It is this last function performed by the NCAA that is being challenged by two of its members.

It is my understanding that in 1951 the NCAA's annual convention appointed a committee to administer its football television program. The Television Committee experimented in 1951 with various ways of telecasting a series of college football games. In 1952, the Convention of NCAA Members voted for a resolution to authorize the NCAA's Executive Committee to again appoint a Television Committee that would propose a program of limited live television to be submitted to the membership for approval by a mail referendum vote of two-thirds of those voting. The resolution further provided that "no member institution of the NCAA shall make any commitments, arrangements or contracts for the televising of college football games for the 1952 season until the adoption of the approved plan and then only in conformity with the provisions of the approved plan."[6]

[6] NCAA, *Year-End Report of the 1952 NCAA Television Committee*, pp. 9-10.

The plan proposed by the 1952 Television Committee called for sponsored network telecasting of a series of twelve nationally televised games in 1952, with each member college restricted to one television appearance during the football season. An exception to the rule that only a single game could be televised on each Saturday was made for small-college games, which could be televised locally either in addition to or in place of a series game. The Television Committee negotiated a contract with NBC, and during the 1952 season 11 network games, 12 small-college games and 9 sell-out games were televised. Permission for sell-out game telecasts was granted where the Committee found that "no appreciable damage [would] be done thereby to NCAA program or member colleges."[7]

A summary of subsequent television contracts signed with different networks appears in Table 1. The total number of televised games has increased gradually over the years, and the maximum number of appearances by a single team has varied between one and two per year. Several provisions were added over the years to guarantee greater television exposure to the Division II and III teams that otherwise would not have been selected for network exposure. For example, the 1966 contract required the networks to televise Divisions II and III championship games and the 1976 contract required a minimum number of regular-season telecasts of teams in these divisions. One change in NCAA television policy occurred in 1982 when for the first time contracts were signed with two networks, and each acquired the rights to televise 14 exposures (nationwide television coverage) consisting of at least 35 games during the season, in addition to certain Division II and III regular season games and NCAA Division I-AA, II and III football championships. Also, in 1982 for the first time a supplementary series of 19 games will be cablecast nationally.

[7] Article VII, NCAA Football Television Plan for 1952.

The NCAA Television Plans allow exception telecasts and cablecasts whereby a game not telecast by the network can be telecast or cablecast in one or more local areas of particular interest. The sell-out exception permits a game to be telecast or cablecast in the home television market of both the home and visting institutions providing the game is sold out and no appreciable damage is done to any game played near the telecast site.[8] The 400-mile exception permits a game played at least 400 miles from the visiting team's campus to be telecast or cablecast to that campus in the absence of appreciable damage. Division II and III games may be televised or cablecast on a maximum of five stations without regard for appreciable damage to concurrently played games. Games may be telecast on Friday nights, Saturday nights, or Saturday afternoons and holidays when no series telecast is presented in four markets in the NCAA district or districts represented by the participating institutions, providing no appreciable damage is inflicted. Games involving Division I teams not televised by the network for at least eight years may be telecast in several markets without regard for appreciable damage to other games. Sellout games may also be telecast by the home institution's educational television station; closed circuit telecasts on campus are permitted without regard for appreciable damage and are permitted off-campus with regard for appreciable damage to conflicting games and the network series. Finally, exception game presentations on cable and subscription television have been permitted by the NCAA for several years. Table 2 presents a tabulation of the games cablecast or telecast under the NCAA's exception provisions during the last two years.

[8] The definition of appreciable damage differs depending on the type of technology used to telecast the game. For VHF transmission, appreciable damage is considered to be created by the existence of a concurrently-played non-televised game within a 120 mile radius of the transmitter. The protection area is reduced to a 45 mile radius for a UHF transmission. All concurrently played games are protected, including high-school, NAIA and other college games for which admission is charged.

Table 1

Summary of NCAA Contracts for College Football Television

Contract Period	Number of Games (Exposures)	National/ Regional Telecasts	Maximum Number of Appearances per Team*
1952	12	12/0	1
1953	13	10-11/2-3	1
1954	13	13/0	1
1955	8 (plus 5 local)	6/2	1 nat'l & 1 local
1956	8 (plus 5 local)	7/1	1 nat'l & 1 local
1957	9 (plus 4 local)	7/2	1 nat'l & 1 local
1958	9 (plus 4 local)	7/2	1 nat'l & 1 local
1959	10 (plus 3 local)	8-9/1-2	1 nat'l & 1 local
1960-61	13	9/4	1 nat'l & 1 reg'l
1962-63	14	9/5	1 nat'l & 1 reg'l
1964-65	14	9/5	1 nat'l & 1 reg'l-3/2 yrs.
1966-67	14	8/6	1 nat'l & 1 reg'l-3/2 yrs.
1968-69	14	8/6	1 nat'l & 1 reg'l-3/2 yrs.
1970-71	18	12/6	1 nat'l & 1 reg'l-3/2 yrs.
1972-73	19	12/7	1 nat'l & 1 reg'l-3/2 yrs.
1974-75	20-23	14/6-7	1 nat'l & 1 reg'l-3/2 yrs.
1976-77	20-24	13/7	1 nat'l & 1 reg'l
1978-81	23-24	13/10	1 nat'l & 1 reg'l

* Beginning in 1968 a team could appear one additional time every two years in the wild card game. The figures above do not include this wild card appearance.

Source: Annual *NCAA Television Committee Reports*, 1952-1981.

I understand that the aspects of the NCAA's television policies being challenged in this case are compensation and output provisions of the NCAA's controls. Each NCAA network contract (except the most recent) conferred exclusive rights on a single network to televise college football games played by all NCAA members, subject to the provisions for exception telecasts previously described. The 1982 controls, which cover the 1982 through 1985 seasons, provide for two networks to televise college football games. These contracts have provided that the network (or networks) selected would pay to the colleges whose games were televised a specified "minimum aggregate compensation." Between 1982 and 1985 this minimum aggregate compensation will be $131.75 million from each network and $7.4 million for the supplementary cable series. The division of this minimum aggregate compensation between the televised teams has never been specified in the NCAA's contracts which provide that each participating host college will negotiate the price and other terms of the telecast. The contract specifies the minimum and maximum number of telecasts permitted each year.

Table 2

Number and Type of Games Telecast or Cablecast Pursuant to the NCAA's Exception Procedures in 1980 and 1981

Exception	1980	1981
Division I		
400-Mile		
Telecast	41	41
Cablecast	4	3
Sellout		
Telecast	15	21
Cablecast	10	7
Division II and III		
Telecast	4	17
Cablecast	0	3
Closed Circuit	11	17
Special Night and Division I Exceptions	4	4

Source: 1980 and 1981 *NCAA Television Committee Reports.*

A. MINIMUM AGGREGATE COMPENSATION

An economist views the minimum aggregate compensation provision as a necessary accompaniment to the assignment of exclusive television rights. If the NCAA assigned exclusive rights to a single network and allowed that network to negotiate unilaterally with each school whose game it desired to telecast, the network would behave as a monopsonist[9] and the schools would receive no or little compensation for their television appearances. If, for example, the University of Oklahoma demanded more than a nominal fee from the network for permission to televise its game, the network could telecast another team playing that day, while Oklahoma would have no other potential buyer for its game. If televising a game were costly to the school involved, the minimum price that school would accept would equal these costs. However, this cost is virtually zero once the decision to play the game has been made.[10] This is an aspect of joint production discussed earlier. Therefore, a network able to choose among many schools already playing football games could avoid compensating teams for the rights to their games if there were no required aggregate minimum compensation. This provision permits individual schools which are chosen for television to capture some of the value of these games.

For the network and its affiliates, a game is valued by the amount of advertising revenue it generates. Without the minimum aggregate compensation provision the same number of games might be televised initially and the network and its

[9] A monopsonist is a single buyer facing a large number of sellers. A standard textbook example is a company in a one-company town facing a large number of potential employees who can sell their labor only to that company.

[10] An additional cost to the school would be the possible loss of gate and related revenues. There may be offsets to this cost such as greater alumni giving or improved recruiting.

affiliates would receive from advertisers the same amount of money. If the schools received little compensation, however, their incentives to develop high-quality football programs could be reduced and the quality of football could decline significantly. Eventually the network may not be able to find as many high-quality games as it can today. By stipulating a minimum aggregate compensation, the NCAA insures that its member teams get a share of the revenues generated by telecasting college football.

A final point is worth noting. The distribution of television revenues between the networks and the NCAA members is not relevant to an antitrust economist, because it involves a transfer of income from one group to another but has no effect on output in the relevant market—television programming. Similarly, the particular way in which the minimum aggregate compensation is divided between NCAA members is also irrelevant because it is not output-restricting.

IV. THE NCAA LACKS MARKET POWER IN THE RELEVANT PROGRAMMING MARKET.

In this section I examine the question does the NCAA possess market power in the relevant market in which it sells rights to telecast college football games.[11] The plaintiffs allege that the telecasting of college football games constitutes an economically distinct product market and that in this market the NCAA has market power. In order to evaluate this claim, it is essential to first explain briefly the economics of the television industry.

A. THE ECONOMICS OF THE TELEVISION INDUSTRY

The television industry consists of five major participants: stations, networks, program suppliers, viewers, and adver-

[11] The following analysis applies only to advertiser-supported television.

tisers.[12] Networks act as brokers between affiliated stations, which show both network and non-network programs, and advertisers, whose purchases of television advertising time generate revenue for the networks and their affiliates. Networks select programs that are telecast by affiliates and that are offered to advertisers for presentation of their advertising messages. Programs are not bought because of any intrinsic value they may have but because they generate television audiences, which the networks then "sell" to advertisers. Advertisers are willing to pay a price to reach viewers, which they do by buying advertising time. The price of that time depends on the size (and composition) of the audience that the program is expected to reach.[13]

The networks acquire programs from countless sources: major film studios, major and minor independent producers, advertisers, sports leagues and the networks' own production. The NCAA is one such supplier, although the networks actually produce televised college football. The supplier of one type of program (e.g. college football) to a network can only have market power if that program type has such special characteristics that it in turn confers market power on the networks vis-a-

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[12] A sixth participant, the Federal Communications Commission, is not considered because it is not relevant to my analysis. For a survey of the economics of the television industry *see, e.g.*, Bruce M. Owen, Jack H. Beebe and Willard G. Manning, Jr. *Television Economics* (1974) at 6.

[13] The price advertisers will pay is also determined by their opportunities for advertising through other media (radio, newspapers, magazines, etc.). (Bruce M. Owen, *Newspaper and Television Station Joint Ownership*, 18 Antitrust Bulletin 787 (1973).) It should be stressed at this point that while I do not explicitly discuss substitutability between media again, I am *not* stating that there is necessarily an advertising market limited only to television for antitrust purposes. In 1981 network television advertising accounted for only 9.1 percent of all advertising expenditures (*Advertising Age*, March 22, 1982, at 66), and studies have shown that advertisers substitute between media based on price.

vis advertisers. Thus, suppose that the quantity of one program type—e.g., college football games—is reduced. Then the networks will pay a higher price per game only if advertisers cannot find good substitutes for that program type. If other programs are available to the networks that deliver, roughly, the same size and quality audience, then any attempt by a program supplier to reduce the number of episodes or games it offers will cause the network to purchase other program types. Advertisers will be indifferent as to whether a college football game or other program type is telecast as long as the benefits from advertising are unaffected.

This fact, which is crucial to my analysis, can be made clear by referring again to a wheat farmer (discussed above in Part II) who cuts back his output but is unable to increase the price that he receives for wheat because he has no power to restrict the *aggregate* supply of wheat in the relevant market. In the case of the NCAA, the product ultimately offered to the networks (and advertisers) is the aggregate number and composition of viewers. If advertisers can reach viewers with roughly similar characteristics by running commercials during other programs (instead of during college football games), any attempt by the NCAA to limit output—i.e., restrict the number of games that can be televised—would not succeed in reducing viewership and thus would not result in a higher price per game. Only by significantly increasing *total* television viewership, or by generating an audience with more desirable characteristics for advertisers, can a program type constitute a relevant product market.

In this context, one must distinguish between a program that increases the audience of a single network and one that increases the total television audience. The fact that a program attracts a large audience does not necessarily confer market power on a supplier of that type of program. If these viewers are mainly "diverted" from other programs, total television viewership will be largely unchanged. *Total* television advertis-

ing revenues (or total advertising revenues) also will be unchanged since the price that advertisers are willing to pay is influenced by the number (and quality) of viewers that they expect to reach. In short, a program supplier can exercise market power only if its program significantly expands (or improves the demographic characteristics sought by advertisers of) the total television audience.[14]

B. THE RELEVANT PROGRAM SUPPLY MARKET

I have performed several studies that lead me to conclude that college football telecasts do not constitute a relevant product market. Rather, they are part of a much broader market in which the NCAA's share is too small to warrant the inference that the NCAA has market power. I review below these studies.

1. The Price of College Football Television Rights.

The traditional monopoly model discussed in Part II predicts that because a monopolist faces a downward-sloping demand curve the price of its output is related negatively to the amount of output he sells. As a first step, I would expect that if the NCAA had market power in the sale of television rights, the price received by the NCAA for each NCAA advertising minute would have declined over time as the number of games and hence advertising minutes increased.

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[14] The observation that some programs (appear to) earn considerable economic rents should not be interpreted as indicating that their producers could exercise market power. The cost of a 30-second commercial spot during a successful program will indeed be greater than that of a spot during a program that attracts fewer viewers. Accordingly, the networks will pay a correspondingly higher price for the rights to broadcast this program. These payments will represent economic rents.

Table 3 shows that as the number of minutes offered advertisers during college football increased from 208 to 506 between 1960 and 1978 the price received by the NCAA for those minutes did not consistently decline. The third column shows the price per minute deflated by the consumer price index. From 1960 to 1970 the price per minute rose significantly despite a 56 percent increase in the number of advertising minutes allowed by the contract. After 1971, the price per minute fell moderately but in 1978, when the largest number of minutes were added to the contract, the price per minute rose again. This pattern suggests that the NCAA has no ability to raise the price it receives by restricting output.[15]

[15] Factors other than the number of games televised per year will also influence the price per minute of advertising. A complete analysis of the relationship of price per minute and number of games would take these factors into account.

Table 3

The NCAA Television Contract Price Per Advertising Minute Allowed Under the Contract 1960—1981

Contract Period	Number of Total Advertising Minute Delivered under contract	Contract Price Per Advertising Minute*	Contract Price Per Advertising Minute Deflated by CPI**
1960-1961	208	15.0	19.8
1962-1963	224	22.8	29.2
1964-1965	252	25.9	32.4
1966-1967	270	28.9	34.4
1968-1969	306	33.3	37.0
1970-1971	324	37.0	37.0
1972-1973	361	37.4	34.6
1974-1975	400	40.0	31.5
1976-1977	420	42.9	29.2
1978-1979	506	57.3	34.1
1980-1981***	506	61.3	28.6

Source: NCAA Television Committee Reports

* The units for this series are thousand of dollars.

** The units for this series are thousands of 1970 dollars. Only the deflated price in the first year of the contract is presented.

*** The 1978 contract covered the years 1978-1981. However, the contract price was higher in the last two years of the contract.

2. Program Prices: College Football and Other Programs

If two products are in the same product market, their prices will tend to move together. Indeed this criterion has often been used in antitrust litigation to address the problem of market definition. Figures 6 and 7 show the relation between the price paid by the network for a college football "telecast" and the price paid by the networks for all their programming.

Figure 6 plots the NCAA contract price per game for the period 1960 through 1979 against the total program and technical expense of the networks and TV stations as reported in the Annual Reports of the FCC. Both series are in index form. Because the number of hours of total programming has remained approximately constant since 1960, changes in programming expense over this period are primarily the result of changes in the "price" of programming. This series therefore is a good proxy for the overall price of programming. The two series appear from Figure 6 to move almost in lock step, but this may result because nominal (non-deflated) prices often move together during periods of rapid inflation. Figure 7 presents these series on a deflated basis. Again the two prices move together closely.[16] Thus after eliminating the effect of inflation the prices of all television programs are closely related to the price of NCAA college football telecasts. This is consistent with the hypothesis that NCAA football is part of a much broader television programming market.

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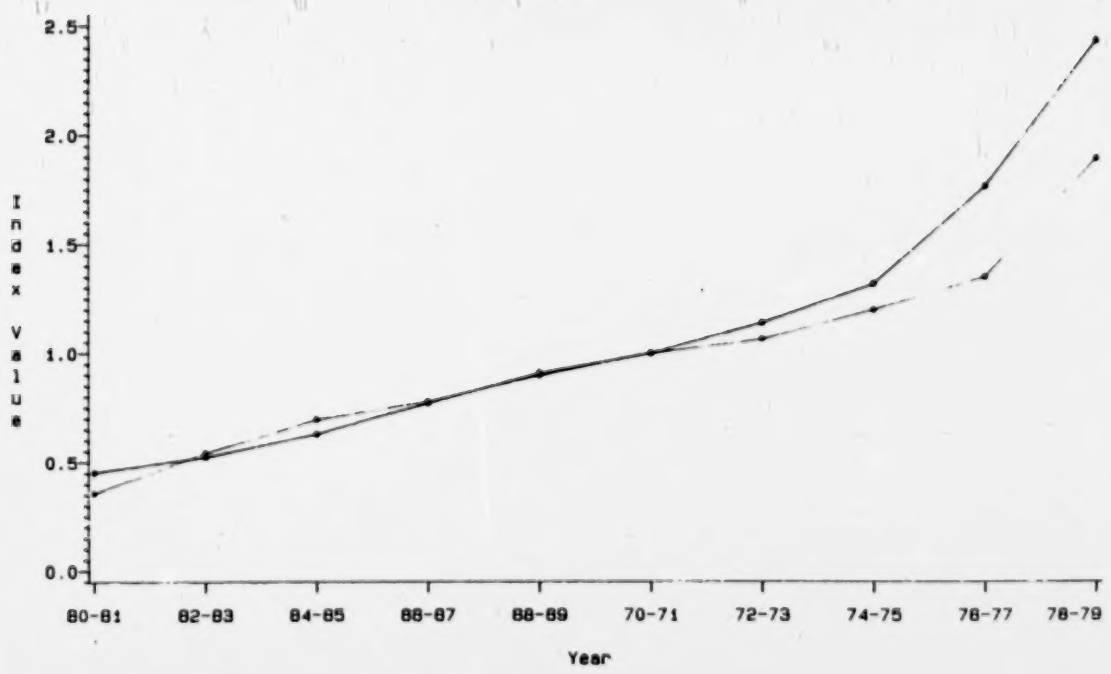
[16] The correlation coefficient between these two deflated price series is .758 for the period 1960-1979. This is significantly different than zero at a 99 percent confidence level. Between 1960 and 1977 the NCAA and networks negotiated contracts for two-year periods. In nominal terms, the price received by the NCAA was the same in each of the two years. The correlation coefficient was calculated using two-year averages for program expense.

Figure 6
Index of NCAA Contract Price Per Game vs. Index of Network and TV Station Program and Technical Expenses

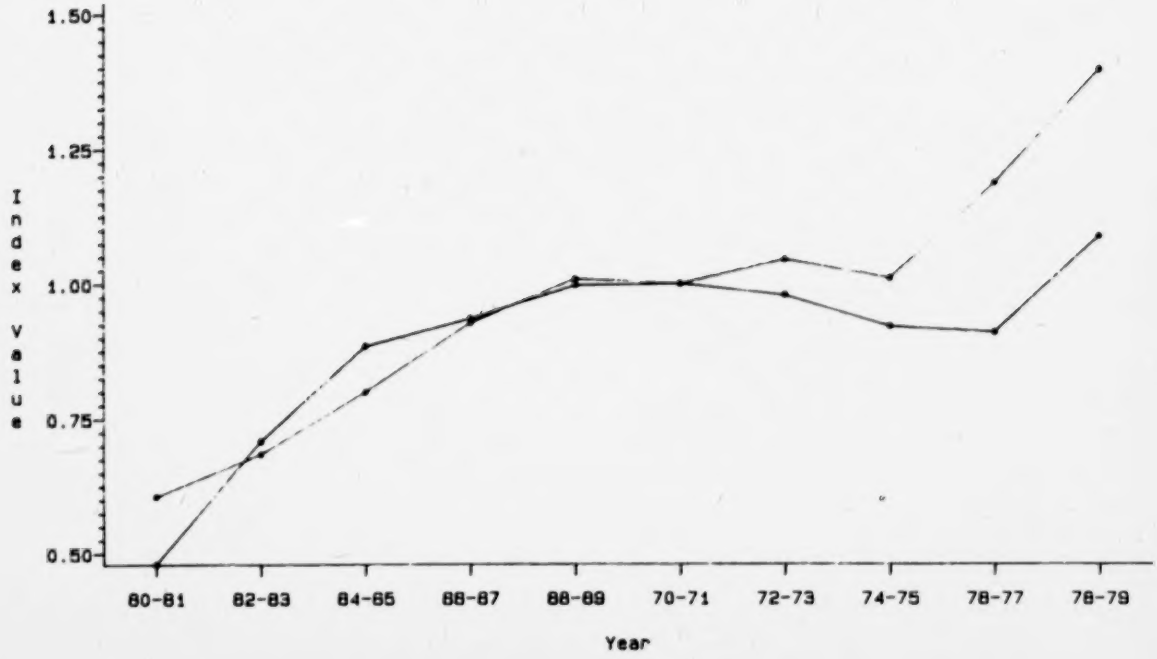
1960-1979



Note: Index of NCAA Contract Price is in blue
Index of Program and Technical Expenses is in red

Figure 7
Index of NCAA Contract Price Per Game Deflated by U.S. CPI vs. Index of Network and TV Station Program and Technical Expenses Deflated by U.S. CPI

1960-1979



Note: Index of NCAA Contract Price is in red
Index of Program and Technical Expenses is in blue

3. Products Advertised On NCAA Telecasts

I have shown already that advertisers are the consumers who could be injured by a reduction in output in the relevant programming market. I now study the advertisers and products advertised on college football telecasts. If these advertisers have sufficient substitutes available to them, televised college football is not a relevant programming market.

Suppose a group of firms is highly specialized to a particular input that is essential to each firm's production of output—i.e., from the firm's standpoint there are no adequate substitutes for this input. Subject to two important qualifications discussed below, this input may be a relevant product market because its sellers (assuming they acted jointly) could exercise market power by restricting the quantity available of that input. The two qualifications are (a) that the expenditures of specialized buyers of the input comprise a substantial fraction of total expenditures on this input; and (b) that other input suppliers do not have the ability to divert their capacity to produce the input in question if existing sellers restricted its quantity.

To explain, if (a) does not hold, then buyers who find this input essential are protected from the exercise of market power by other buyers who do not regard it as essential. That is, the market demand for the input, say x, will be highly elastic because a sufficient number of buyers will substitute towards other inputs in response to any attempt by suppliers to restrict quantity and raise price. Their ability to substitute, in turn, will deter suppliers of x from restricting quantity in the first place. Hence, the firm supplying x would lack market power, and the relevant market would include x plus substitute inputs.

Similarly, if (b) does not hold (even assuming (a) does), the suppliers of x will be unable still to exercise market power. Other suppliers will begin to produce x which will offset the reduction in x brought about by the original suppliers. Once

again the relevant market would include not just the sales of the original suppliers but the capacity of other firms to product that input.[17]

The above analysis suggests that televised college football might be a relevant product market if purchasers of advertising on college football telecasts are highly specialized to college football. If they were, one might infer that they did not have adequate substitute programs on which to advertise their products, and hence the NCAA could exercise market power by restricting the number of games televised.[18] This suggests that a necessary condition for college football telecasts to be a relevant market is that advertisers spend a large share of their total network television advertising on products that are advertised on college football telecasts. If network advertising on NCAA telecasts is only a small fraction of the television advertising of these products, however, I infer that these advertisers have numerous substitute programs on which to advertise. Then, college football would not be a relevant product market.

To examine whether advertisers who buy NCAA network spots are highly specialized to NCAA college football telecasts, I analyzed the 1981 Broadcast Advertisers Reports, Inc. (BAR) Network TV Summary. The BAR Summary (which was supplied to Lexecon on computer tape) is a compilation of network spots purchased on each network program in 1981 identifying both the advertiser and the product advertised. The BAR Network TV Summary allows one to determine how many network spots were purchased by an advertiser, by product, by program type and even by program. For example, one can measure the number of network spots purchased by

[17] This point is discussed more fully in Landes & Posner, *supra*.

[18] Still, if other program suppliers could develop substitute programs for these advertisers if the NCAA restricted its output, then the NCAA television controls would not give it market power, and NCAA football telecasts would not be a relevant market. This is simply an application of point (b) above.

Anheuser Busch, brewers of Budweiser, Busch, and Michelob beer. One can also compute the number of such spots purchased by program type and by program. And, since the BAR data also are organized by product, one can determine how many Anheuser Busch spots were Budweiser beer spots and how many were Michelob beer spots. In the case of Anheuser Busch's network television spots for example, only 2 percent were aired during NCAA football games and 76 percent were aired in non-sports programming. This implies that only 9 percent of Anheuser Busch's network sports television spots were shown during NCAA football games.

My analysis of the BAR Network TV Summary shows that even advertisers who buy NCAA network spots are not specialized either to NCAA college football games or to sports programs. The average advertiser who purchased network spots during NCAA football games in 1981 purchased only 5 percent of its total network television spots during NCAA telecasts. That advertiser placed over 75 percent of its network advertising in non-sports programs. In short, even for those advertisers who advertised on NCAA telecasts, other sports programs and other non-sports programs are by far the predominant method of television advertising.

The BAR data can be analyzed also on a "product" basis (thereby breaking down an advertiser's network spot purchases among sub-classes of its products). For example, General Motors purchased 7 percent of its network television spots on NCAA telecasts, while one of its products, Chevrolet Trucks, was advertised 13 percent of the time during NCAA telecasts. The average product advertised during NCAA college football had only 7 percent of its total network television spots aired during NCAA telecasts and 34 percent on network television

sports.[19] Thus, the average product advertised during NCAA telecasts was advertised 66 percent of the time on non-sports programs. These results are summarized in Table 4 below.

Table 4

The Average NCAA Advertiser's Distribution of 1981 Network Television Advertising By Advertiser and Advertised Product Classifications

	Percent of Network Television Advertisements In NCAA Football Telecasts	Percent of Network Television Advertisements in Sports Programs	Percent of Network Advertisements in Non-Sports Programs
Advertiser Method	5.18	24.37	75.63
Advertised Product Method	7.47	34.36	65.64

Even for those advertisers and products accounting for the bulk of network spots on NCAA telecasts, the percentage of network spots aired on other sports programs and on other program types is striking. Figure 8 presents the network spot purchases of the 20 advertisers who buy the greatest number of NCAA network television spots. These advertisers in aggregate accounted for 74 percent of the NCAA's network spots. As Figure 8 shows, even relatively large purchasers of NCAA spots bought the bulk of their television network advertisements in other programs.

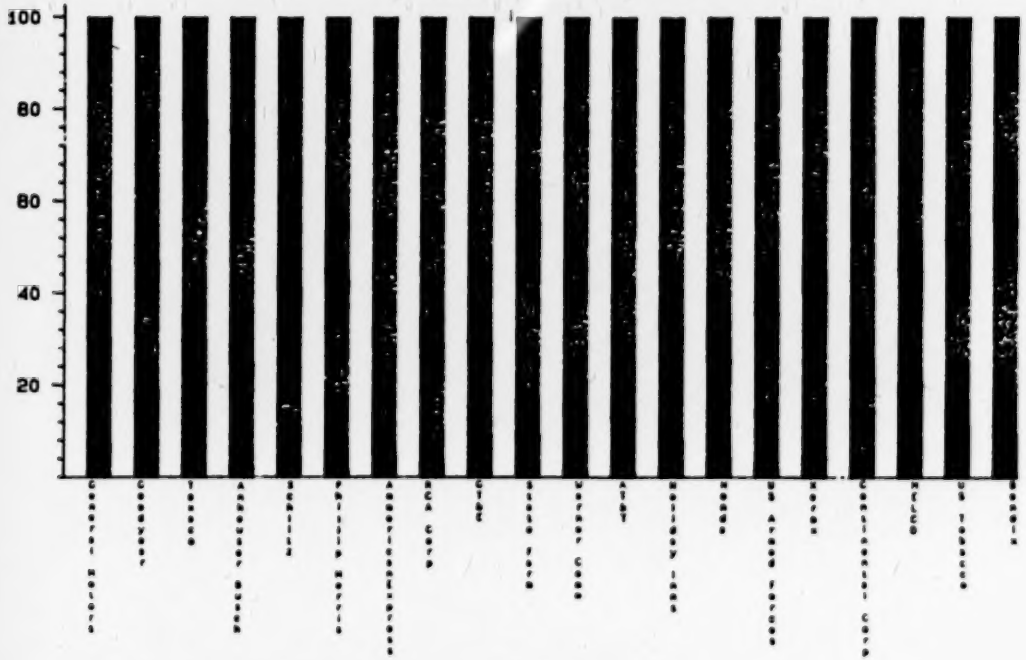
[19] These classifications are made in BAR and in some cases include a range of products. For example, BAR classifies Delco parts as a "product" even though that classification presumably includes batteries, spark plugs, etc.

Figure 9 presents a similar chart for the 20 products (as designated by BAR) accounting for the greatest number of NCAA spot purchases (62 percent of all NCAA network spots). I find here that products with the greatest number of NCAA network spots are broadly diversified across other sports and non-sports programs. For example, in 1981 Chevrolet Trucks were advertised in 43 NCAA network spots (13 percent of Chevrolet Truck's total network television advertising); 179 non-sports network television spots (56 percent), and 102 network spots other than NCAA football (31 percent).

As Figures 8 and 9 demonstrate, even those advertisers and advertised products accounting for the greatest number of NCAA network television spots are not specialized to NCAA college football telecasts. As explained above, this suggests that advertisers do not regard the NCAA college football telecasts as unique or distinct product market.[20]

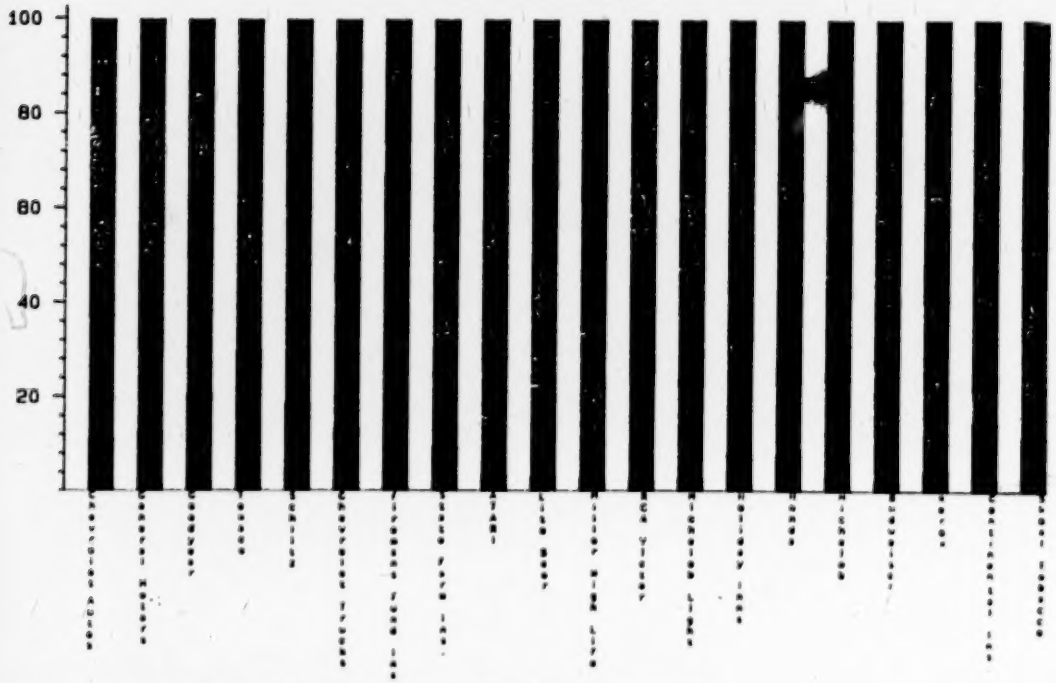
[20] Appendix B presents a detailed listing of the advertisers and products advertised during NCAA network telecasts compiled from the BAR Reports along with the percent of network spots purchased in sports programs and non-sports programs. These tables demonstrate conclusively that advertisers are not specialized to NCAA college football telecasts.

Figure 8
Percent of Network Spots Placed by Top 20 NCAA Football Advertisers in NCAA Football Broadcasts, Other Sports Programming, and All Other Programming (Advertiser Method)



Note: Share of advertising placed in NCAA Football telecasts is in red
Share placed in other sports telecasts is in green
Share placed in non-sports telecasts is in blue

Figure 9
Percent of Network Spots Placed by Top 20 NCAA Football Advertisers in NCAA Football Broadcasts, Other Sports Programming, and All Other Programming (Product Method)



Note: Share of advertising placed in NCAA Football telecasts is in red
Share placed in other sports telecasts is in green
Share placed in non-sports telecasts is in blue

One final point is worth mentioning. There is no reason to assume that television advertising is a relevant product market. Television advertising competes with advertising on radio, in newspapers and magazines and through direct mail. Table 5 below presents the distribution of advertising by medium, by selected leading NCAA advertisers. Since the data reflect 1979 advertising expenditures, one cannot compare them directly with the 1981 BAR data. Assuming that these advertisers distributed their 1981 advertising expenditures among media as they did in 1979, their NCAA advertising on average would account for about 3.5 percent of their total advertising dollars. (These data are not available on a product basis.) Table 5 merely highlights what I have emphasized above — even leading NCAA network advertisers are not specialized to NCAA telecasts.

4. College Football's Share of Sports Programming

Because the demographic characteristics (particularly the ratio of males to females) of viewers of college football telecasts and sports programs generally tend to differ from those of viewers of other programs, one might argue that sports programming is an economically distinct relevant market. Advertisers desiring to reach primarily a male audience would find sports programming particularly desirable. And if the NCAA's share of sports programming were sufficiently large, it might possess market power.

Table 5

Distribution of Advertising Expenditures Among Media For Selected Major NCAA Advertisers: 1979

Advertiser	Total Advertising Expenditures (in Thousands)	Percent of Total In:					
		Network TV	Spot TV	Print Media	Radio*	Outdoor	NCAA
Anheuser Busch	$112,768.7	55.9	14.0	8.2	20.4	1.5	2.2
AT&T	154,306.3	35.6	27.3	26.1	10.5	0.5	0.1
General Motors	323,395.9	36.3	8.8	43.2	10.3	1.4	3.7
Phillip Morris	259,201.5	33.4	6.5	48.0	1.8	10.3	9.5
RCA Corp.	74,593.2	29.4	8.5	59.6	1.9	0.6	1.8
Average		38.1	13.0	37.0	9.0	3.9	3.5

* Total of network and spot radio advertising.

Source: NCAA expenditures on which the last column is based are from the 1981 BAR Network TV Summary. All other data from *Advertising Age*, February 16, 1981, pp. S-3 — S-5.

Table 6 presents estimates of college football's share of sports programming for October and November, 1980 and 1981, in three cities, Chicago, Los Angeles, and New York. Although college football's share of sports broadcasting time varies between 10 and 14 percent during this period, its share of sports viewers is slightly lower, ranging from 7 to 12 percent. Finally, if one limits viewers to male sports viewers aged 18 to 49, college football's share varies between 7 and 12 percent.

The shares presented in Table 6 are far too low to warrant an inference that NCAA college football telecasts have market power in a market limited to sports broadcasting. Moreover, there are two reasons why the NCAA's shares in Table 6 would overstate its power.

First, I showed in subpart 4 above that advertisers are not specialized to college football or to sports in general. Thus, "sports" advertisers are able to substitute across programming types, and hence the relevant programming market is broader than sports. This means that the NCAA's share in the relevant market would be lower than its approximately 10 percent share in Table 6.

Second, assuming to the contrary that there was a sports programming market (and, as I have explained, I do not believe there is one), advertisers would be able to substitute across different time periods of the year. Since Table 6 is limited to October and November, the months with the greatest concentration of NCAA college football, a sports programming market that goes beyond these two months would result in a much lower share for college football than shown in Table 6.

Table 6

NCAA's Share of Sports Broadcasting
Nielsen Survey, October and November 1980 and 1981

Market	Year	NCAA's Share of		
		Sports Broadcast Time	Total Sports Audience	Male Sports Viewers Ages 18-49
Chicago	1980	13.23	8.79	9.89
	1981	13.63	10.07	11.31
Los Angeles	1980	9.73	8.98	9.39
	1981	10.99	11.56	11.69
New York	1980	10.83	7.02	6.71
	1981	11.00	8.47	8.94

Note: The NCAA shares were calculated as a percentage of broadcasting time and audience of all sports programming during the Nielsen Survey periods.

A final point is worth noting. It might be argued that college football offers advertisers a disproportionate number of high income viewers, and that this somehow warrants a programming market limited to college football. Data do not support this point. In 1980, NCAA football reached 16.5 percent of U.S. households with an average income over $20,000. In comparison, pro football reached 23 percent of these households, and all sports reached 14 percent of these households.[21]

In sum, even if the relevant market were limited to sports programming, which I have shown is incorrect, college football's share is too small to infer that the NCAA has market power.

[21] See Sports 1980, Nielsen Television Indices 101 and 102.

V. THE EFFECT OF THE NCAA TELEVISION CONTROLS ON ATTENDANCE AT COLLEGE FOOTBALL GAMES

In this section I summarize the results of regression analysis of the effect of the NCAA's television plan on attendance at college football games. Regression analysis is a standard empirical technique used by economists and other scientists to give quantitative estimates of the relationships among variables. It enables the researcher to measure the separate effects and degree of statistical significance of each independent variable (the causal variables) on a given dependent variable (the variable to be explained). (See Appendix C for a detailed discussion of regression analysis). A detailed description of the study is presented in Appendix D to this report.

The data sample analyzed in the regression analysis is attendance at 728 home games for 31 schools surrounding and including the University of Georgia and the University of Oklahoma during the 1977 to 1981 football seasons. The study is limited to game attendance at these schools because of its relevance to this case, and because of the additional time that would have been required to collect data for a study of all colleges.

The dependent variable in the regression analysis is attendance at home games of the schools in the sample. My hypothesis is that home attendance at these games is lower (other things the same) when one or more college football games are televised on the same day. Obviously, other factors also affect attendance at a particular game, and they must be held constant in order to measure the separate effect of televised games. These factors can be classified into three broad groups: factors that are likely to affect the quality of the particular game (e.g., homecoming, games between two teams in the same state or conference, and the record of the home team); environmental factors (e.g., rain on the day of the game, night versus day

games); and home team factors (e.g., factors specific to the home team such as enrollment, stadium capacity, and fan interest in the football team).[22]

Because a game is televised on virtually every day a college football game is played, and because most households have at least one television set, one cannot determine whether in-stadium attendance is greater when no game is televised compared to when at least one is televised. Therefore, I measured the effect of college football telecasts by asking what happens to attendance when the number of televised games increases from one to two on a given day. Since college football doubleheaders are shown only on some Saturdays during the year, I was able to compare attendance on those dates when only one game was televised to dates when two were televised, holding constant other factors relevant to attendance. Observe that this method of measuring the impact of televising college football probably understates its actual effect on attendance. If some people have already decided not to attend games because they prefer to watch the first televised college football game, the impact of a second televised game on that day is not likely to be great. Thus, if one finds a negative effect on attendance of televising a second game, the overall effect of televising college football is probably greater than that implied by the regression analysis.[23]

---

[22] Factors specific to each home team were measured by a "dummy" variable (which is explained in Appendix D) for each of the 31 schools in the sample. The regression coefficient on each dummy variable measures the school specific effect on attendance.

[23] An earlier set of studies conducted by the National Opinion Research Center (NORC) was able to evaluate directly the effects of television because: (1) there were substantial differences in the proportion of households with television sets across different areas of the country; and (2) there were Saturdays in the 1950's when no games were televised. The results of the NORC studies can be summarized as follows:

(Footnote continued on following page)

The empirical findings of my regression analysis can be summarized as follows:

1. The effect on attendance of televising two games rather than one is negative. (This effect is measured by the regression coefficient on the HEADER variable (see the regression equation presented in Table D-3 in Appendix D).) The coefficient is −.038 indicating that attendance is reduced by approximately 4 percent on average when two games rather than one are televised. The regression coefficient on HEADER is significant at about a 90 percent confidence level.[24]

(Footnote continued from preceding page)

1. At schools in areas heavily exposed to televised college football, attendance had declined by 4 percent in 1950 from the average in 1947 and 1948, while attendance at schools in areas where television ownership was not widespread had risen by 4 percent. Furthermore, after controlling for other factors that could affect attendance, such as team performance, weather, ticket prices, and population and economic changes, the adverse impact of television on attendance was still evident.

2. In the 1950 season the impact of television on attendance varied directly with the severity of television competition, with a non-regional game causing a two percent attendance differential, and an own-game telecast reducing attendance by 15 percent. NORC also found that the level of television saturation, measured by the percentage of families which owned television sets, generally negatively affected attendance.

3. In 1952, NORC reported that while television continued to have an adverse effect on college football attendance, the impact was mitigated by the NCAA's experimental plan of limiting telecasting of college games. NORC reported that "(h)ad unlimited telecasting continued to rule, and the 1950 TV differential remained the same, the loss in 1951 attendance compared to the 'expected' 1947-48 base would have been substantially in excess of two million admissions instead of the actual drop of one and one-half million." (NORC Report, quoted in 1952 Television Committee Report, p. 8).

[24] This is based on a one-tail test.

2. I also divided the sample into two sub-samples: games played by Division I teams, and games played by teams in Divisions II and III. I estimated separate regression equations for each sample (see Tables D-4 and D-5 in Appendix D). The estimated coefficients on the HEADER variable are −.023 and −.098 in the Division I and Divisions II and III regression respectively. However, only the −.098 coefficient is significant at the 90 percent level. In short, I find a 10 percent reduction in attendance on average in the Divisions II and III colleges when a second game is televised, and a much smaller (and less statistically significant) effect for Division I schools.

3. Overall, the findings on the other variables in the regression equations are consistent with my expectations. Homecoming, night games, games between teams in the same state, and a winning record are associated with increases in attendance. Rain reduces attendance at Division I schools (the only schools reporting weather). Generally, the year and school variables were significant, indicating a specific attendance effect for each year and school in the sample. Inter-conference games tend to increase attendance for Division I but reduce it for Division II and III schools. Finally, when a Division I team is televised, its attendance that day tends to be slightly greater. (This effect is not statistically significant.) One possible explanation for this positive effect is that a network tries to televise the most attractive games in order to maximize viewership. Hence, games televised would tend to have greater interest, and attract greater audiences both on television and in the stadium.

APPENDIX B **DEFENDANT'S EXHIBIT ZX-2**

Table B-1
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired By Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
1	American Express Co.	American Express	0.23%	0.82%	99.18%
2	American Express Co.	Firemans Fund Amer. Ins.	67.24	74.14	25.86
3	American Gas Assn. Inc.	American Gas Assn.	12.50	30.00	70.00
4	American Gas Assn. Inc.	Natural Gas Advertisement	5.00	20.00	80.00
5	American Hardware Supply Co.	Servi-Star Hardware St.	42.86	85.71	14.29
6	American Telephone & Teleg. Co.	American Tel. & Tel.	0.38	7.00	93.00
7	American Telephone & Teleg. Co.	Dial-It Natl. Sport News	2.09	43.46	56.54
8	American Telephone & Teleg. Co.	Yellow Pages Clssfd. Drct.	2.50	35.36	64.64
9	Anheuser-Busch Companies Inc.	Budweiser Art Collection	11.11	51.85	48.15
10	Anheuser-Busch Companies Inc.	Budweiser Beer	1.77	27.31	72.69
11	Anheuser-Busch Companies Inc.	Michelob Beer	3.04	23.70	76.30
12	Anheuser-Busch Companies Inc.	Michelob Light Beer	2.70	22.48	77.52

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
13	Anheuser-Busch Companies Inc.	Natural Light Beer	0.70	23.24	76.76
14	Bausch & Lomb Inc.	Bausch'& Lomb Products	3.45	8.62	91.38
15	Beecham Group Ltd.	Brylcreem Products	1.85	38.89	61.11
16	Bendix Corp.	Auto Lite Auto Products	10.00	56.00	44.00
17	Bendix Corp.	Fram Auto Products	8.82	55.88	44.12
18	Black & Decker Mfg. Co.	Black & Decker	2.38	26.79	73.21
19	Black & Decker Mfg. Co.	McCullock Products	7.69	69.23	30.77
20	Block Drug Co. Inc.	Tegrin Products	0.57	30.46	69.54
21	Borden Inc.	Krylon Paint	2.00	28.00	72.00
22	Bristol Myers Co.	Ban Deodorant	0.70	2.82	97.18
23	Bristol Myers Co.	Comtrex Cold Products	0.18	2.35	97.65
24	Bristol Myers Co.	Excedrin Products	0.42	3.09	96.91
25	Bristol Myers Co.	Vitalis Hair Products	1.16	45.35	54.65
26	Cannon U S A Inc.	Canon Photo Eqpt.	0.99	16.09	83.91
27	Champion Spark Plug Co.	Champion Spark Plugs	5.45	52.73	47.27
28	Connecticut General Corp.	Connecticut Gen. Life Ins.	4.30	10.75	89.25

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
29	Continental Corp.	Continental Ins.	14.46	21.69	78.31
30	DuPont De Nemours E I & Co. Inc.	DuPont Products	0.15	3.07	96.93
31	Eastern Air Lines Inc.	Eastern Airlines	5.88	29.41	70.59
32	Eastman Kodak Co.	Kodak Photo	0.61	10.62	89.38
33	Emerson Electric Co.	Poulan Products	15.00	40.00	60.00
34	Emerson Electric Co.	Skil Power Tools	7.14	71.43	28.57
35	Emery Air Freight Corp.	Emery World Wide Srvc.	1.67	20.00	80.00
36	Esmark Inc.	STP Products	11.67	28.33	71.67
37	Federal Express Corp.	Federal Express Airfreight	2.40	23.47	76.53
38	General Mills Inc.	Wheaties Cereal	1.28	28.21	71.79
39	General Motors Corp.	A C Auto Parts	18.52	77.78	22.22
40	General Motors Corp.	Chevrolet Automobiles	11.32	37.03	62.97
41	General Motors Corp.	Chevrolet Trucks	13.27	44.75	55.25
42	General Motors Corp.	Delco Auto Products	11.54	88.46	11.54
43	General Motors Corp.	General Motors Corp.	12.52	30.41	69.59
44	General Motors Corp.	GMAC Financing	5.26	21.71	78.29

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
45	General Telephone & Elec. Corp.	GTE	6.54	24.18	75.82
46	General Telephone & Elec. Corp.	GTE Phone Mart	16.67	33.33	66.67
47	General Telephone & Elec. Corp.	Sylvania Appls.	13.92	37.97	62.03
48	Gillette Co.	ATRA Products	0.70	52.11	47.89
49	Gillette Co.	Flair Pen	2.38	21.43	78.57
50	Gillette Co.	Right Guard Products	0.74	34.94	65.06
51	Goodyear Tire & Rubber Co.	Goodyear Products	20.60	49.55	50.45
52	Gulf & Western Inds. Inc.	Backwoods Smokes Cigars	9.30	81.40	18.60
53	Haggar Co.	Haggar Apparel	5.56	56.93	43.06
54	Heublein Inc.	Kentucky Fried Chicken	1.38	11.66	88.34
55	Hewlett Packard Co.	Hewlett Packard Computer	33.33	66.67	33.33
56	Hitachi Ltd.	Hitachi Appliances	0.86	18.10	81.90
57	Holiday Inns Inc.	Holiday Inns of America	7.85	32.46	67.54
58	Honda Motor Co. Ltd.	Honda Products	7.69	23.08	76.92
59	Hutton E F & Co. Inc.	E F Hutton & Co. Invstmt. Br.	16.95	35.59	64.41
60	IC Industries Inc.	Midas Muffler Shops	1.91	23.44	76.56

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
61	Ideal Toy Corp.	Ideal	4.55	14.77	85.23
62	Internatl. Business Machs. Corp.	IBM Products	1.42	14.57	85.43
63	K Mart Corp.	K Mart Disc.	1.03	24.74	75.26
64	M C A Inc.	Pursuit of D. B. Cooper	3.70	7.41	92.59
65	Mallory Randall Corp.	Tyco Toys	14.29	30.95	69.05
66	Matsushita Elec. Corp. of America	Panasonic Appliances	26.67	43.33	56.67
67	Matsushita Elec. Corp. of America	Quasar Appliances	4.00	40.00	60.00
68	Matsushita Elec. Corp. of America	Technic Stereo System	100.00	100.00	0.00
69	Mattel Inc.	Mattel Electronics	3.30	25.27	74.73
70	Meenan Oil Co.	Blueray Furnace	28.57	100.00	0.00
71	Mem Co. Inc.	English Leather Products	4.40	14.29	85.71
72	Merrill Lynch & Co.	Merrill Lynch Stockbrokers	2.79	23.69	76.31
73	Metro-Goldwyn-Mayer Film Co.	All The Marbles	3.13	34.38	65.62
74	Minolta Corp.	Minolta Camera	2.83	25.47	74.53
75	National Automotive Parts Assn.	NAPA Auto & Parts	6.76	63.51	36.49
76	Norton Simon Inc.	Avis Rent A Car	5.56	54.17	45.83
77	Owens-Corning Fiberglas Corp.	Owens Corning Products	7.03	43.75	56.25

1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
78	Paine Webber Inc.	Paine Webber Stockbroker	13.95	39.53	60.47
79	Penney J C Co. Inc.	J C Penney	0.29	6.31	93.69
80	Penwalt Corp.	Desenex Foot Remedies	5.26	36.84	63.16
81	Philip Morris Inc.	Lite Beer	2.87	64.81	35.19
82	Philip Morris Inc.	Lowenbrau Beer	2.21	60.69	39.31
83	Philip Morris Inc.	Miller High Life Beer	2.79	61.80	38.20
84	Procter & Gamble Co.	Coast Deodorant Soap	0.27	5.61	94.39
85	Procter & Gamble Co.	Head & Shoulders Shampoo	0.20	4.43	95.57
86	Purolator Inc.	Purolator Courier	3.39	20.34	79.66
87	Ramada Inns Inc.	Ramada Inn Motor Hotels	0.59	14.20	85.80
88	RCA Corp.	Hertz Rent A Car	6.25	56.25	43.75
89	RCA Corp.	RCA Victor Products	2.38	25.26	74.74
90	Reynolds R J Inds. Inc.	Royal Comfort Pipe Tobco.	2.83	31.13	68.87
91	Royal Crown Cola Co.	Arbys Drive In	1.14	13.64	86.36
92	Ryder Syst. Inc.	Ryder Truck Rental	6.90	33.62	66.38
93	S C M Corp.	Glidden Interior Paint	1.06	7.45	92.55

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
94	Savin Business Machines Corp.	Savin Products	1.72	15.52	84.48
95	Schlitz Jos Brewing Co.	Schlitz Beer	18.40	60.40	39.60
96	Sears Roebuck & Co.	Allstate Ins.	0.94	47.50	52.50
97	Sears Roebuck & Co.	Sears Dept. Stores	0.23	4.86	95.14
98	Sony Corp. of America	Sony Appliances	4.64	21.65	78.35
99	St. Regis Paper Co.	St. Regis	5.00	50.00	50.00
100	Stanley Works	Stanley Products	5.56	29.17	70.83
101	State Farm Mtl. Auto Ins. Co.	State Farm Ins.	9.38	55.36	44.64
102	Sterling Drug Inc.	Neo-Synephrine Products	0.94	6.60	93.40
103	Strauss Levi & Co.	Levi Apprl.	0.17	6.81	93.19
104	Tenneco Inc.	Walker Automotive Products	13.04	65.22	34.78
105	Texaco Inc.	Texaco Petroleum Products	29.82	77.63	22.37
106	Timex Corp.	Timex Watches	3.21	5.96	94.04
107	Trane Co.	Trane Appliances	1.85	35.19	64.81
108	Trans World Corp.	Trans World Airlines	7.32	53.66	46.34
109	US Armed Forces (JADOR)	US Armed Forces	4.92	34.43	65.57

Table B-1 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Product Classification Method)

	Advertiser	Product	Percent of Advertising Aired On: NCAA Football	All Sports	Non-Sports Programs
110	US Armed Forces (JADOR)	US National Guard	1.03	42.27	57.73
111	US Armed Forces (JADOR)	US Navy	2.75	28.44	71.56
112	UAL Inc.	United Airlines	1.10	37.02	62.98
113	Union Carbide Corp.	Eveready Products	1.03	8.05	91.95
114	Union Carbide Corp.	Prestone Automotive Products	1.82	58.18	41.82
115	United States Government	Express Mail Service	10.00	25.00	75.00
116	United States Government	US Postal Service	10.26	38.46	61.54
117	United States Tobacco Co.	Skoal Tobacco	11.32	51.89	48.11
118	Wang Laboratories Inc.	Wang Products	1.83	19.27	80.73
119	Warner Communications Inc.	ATARI	3.44	28.21	71.79
120	Warner-Lambert Pharmaceutical Co.	Rolaids Antacid	0.23	11.59	88.41
121	Xerox Corp.	Xerox Products	4.30	40.40	59.60
122	Zenith Radio Corp.	Zenith Appliances	1.10	19.78	80.22

Table B-2
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired By Advertisers
That Advertised During An NCAA Game
(Advertiser Classification Method)

	Advertiser	Percent of Advertising in: NCAA Football	All Sports	Non-Sports Programs
1	American Express Co.	4.50	5.48	94.52
2	American Gas Assn. Inc.	7.50	23.33	76.67
3	American Hardware Supply Co.	42.86	85.71	14.29
4	American Telephone & Teleg. Co.	0.74	12.76	87.24
5	Anheuser-Busch Companies Inc.	2.15	24.52	75.48
6	Bausch & Lomb Inc.	3.45	8.62	91.38
7	Beecham Group Ltd.	0.07	1.73	98.27
8	Bendix Corp.	9.32	55.93	44.07
9	Black & Decker Mfg. Co.	3.38	34.78	65.22
10	Block Drug Co. Inc.	0.13	6.69	93.31
11	Borden Inc.	0.14	3.10	96.90
12	Bristol Myers Co.	0.14	1.65	98.35
13	Canon U S A Inc.	0.63	16.28	83.72
14	Champion Spark Plug Co.	3.66	51.22	48.78
15	Connecticut General Corp.	4.30	10.75	89.25
16	Continental Corp.	14.46	21.69	78.31
17	Du Pont de Nemours E I & Co. Inc.	0.10	4.66	95.34

Table B-2 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Advertiser Classification Method)

	Advertiser	Percent of Advertising in: NCAA Football	All Sports	Non-Sports Programs
18	Eastern Air Lines Inc.	5.88	29.41	70.59
19	Eastman Kodak Co.	0.61	10.62	89.38
20	Emerson Electric Co.	6.56	39.34	60.66
21	Emery Air Freight Corp.	1.67	20.00	80.00
22	ESMARK Inc.	0.27	0.75	99.25
23	Federal Express Corp.	2.40	23.47	76.53
24	General Mills Inc.	0.02	0.40	99.60
25	General Motors Corp.	7.27	30.20	69.80
26	General Telephone & Elec. Corp.	9.43	29.10	70.90
27	Gillette Co.	0.16	11.37	88.63
28	Goodyear Tire & Rubber Co.	18.85	46.45	53.55
29	Gulf & Western Inds. Inc.	0.47	10.90	89.10
30	Haggar Co.	5.56	56.94	43.06
31	Heublein Inc.	0.89	9.18	90.82
32	Hewlett Packard Co.	33.33	66.67	33.33
33	Hitachi Ltd.	0.86	18.10	81.90
34	Holiday Inns Inc.	7.85	32.46	67.54

Table B-2 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Advertiser Classification Method)

	Advertiser	Percent of Advertising in: NCAA Football	All Sports	Non-Sports Programs
35	Honda Motor Co. Ltd.	4.27	25.36	74.64
36	Hutton E F & Co. Inc.	16.95	35.59	64.41
37	IC Industries Inc.	0.93	11.45	88.55
38	Ideal Toy Corp.	2.88	9.35	90.65
39	Internatl. Business Machines Corp.	1.42	14.57	85.43
40	K MART Corp.	1.03	24.74	75.26
41	M C A Inc.	0.23	2.31	97.69
42	Mallory Randall Corp.	14.29	30.95	69.05
43	Matsushita Elec. Corp. of America	20.69	44.83	55.17
44	Mattel Inc.	0.20	1.51	98.49
45	Meenan Oil Co.	28.57	100.00	0.00
46	Mem Co. Inc.	2.20	8.79	91.21
47	Merrill Lynch & Co.	2.75	23.37	76.63
48	Metro-Goldwyn-Mayer Film Co.	0.49	5.34	94.66
49	Minolta Corp.	2.29	20.61	79.39
50	National Automotive Parts Assn.	6.76	63.51	36.49
51	Norton Simon Inc.	0.23	2.26	97.74

Table B-2 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Advertiser Classification Method)

	Advertiser	Percent of Advertising in: NCAA Football	All Sports	Non-Sports Programs
52	Owens-Corning Fiberglas Corp.	7.03	43.75	56.25
53	Paine Webber Inc.	13.95	39.53	60.47
54	Penney J C Co. Inc.	0.29	6.31	93.69
55	Pennwalt Corp.	0.85	5.98	94.02
56	Philip Morris Inc.	1.81	42.46	57.54
57	Procter & Gamble Co.	0.01	0.76	99.24
58	Purolator Inc.	3.30	20.34	79.66
59	Ramada Inns Inc.	0.59	14.20	85.80
60	RCA Corp.	2.84	28.61	71.39
61	Reynolds R J Inds. Inc.	1.94	21.29	78.71
62	Royal Crown Cola Co.	1.14	13.64	86.36
63	Ryder System Inc.	6.90	33.62	66.38
64	S C M Corp.	0.42	3.78	96.22
65	Savin Business Machines Corp.	1.72	15.52	84.48
66	Schlitz Jos Brewing Co.	10.85	41.04	58.96
67	Sears Roebuck & Co.	0.30	9.00	91.00
68	Sony Corp. of America	4.64	21.65	78.35

Table B-2 (cont.)
1981 Broadcast Advertisers Reports Network TV Summary
Distribution of Spots Aired by Advertisers
That Advertised During An NCAA Game
(Advertiser Classification Method)

	Advertiser	Percent of Advertising in: NCAA Football	All Sports	Non-Sports Programs
69	St Regis Pager Co.	5.00	50.00	50.00
70	Stanley Works	5.56	29.17	70.83
71	State Farm Mtl. Auto Ins. Co.	9.38	55.36	44.64
72	Sterling Drug Inc.	0.04	0.51	99.49
73	Strauss Levi & Co.	0.17	6.81	93.19
74	Tenneco Inc.	2.29	24.43	75.57
75	Texaco Inc.	29.82	77.63	22.37
76	Timex Corp.	3.21	5.96	94.04
77	Trane Co.	1.85	35.19	64.81
78	Trans World Corp.	0.63	7.55	92.45
79	US Armed Forces (JADOR)	1.80	35.41	64.59
80	UAL Inc.	1.10	37.02	62.98
81	Union Carbide Corp.	0.68	9.53	90.47
82	United States Government	10.17	33.90	66.10
83	United States Tobacco Co.	11.01	50.46	49.54
84	Wang Laboratories Inc.	1.83	19.27	80.73
85	Warner Communications Inc.	1.43	13.64	86.36
86	Warner-Lambert Pharmaceutical Co.	0.02	1.95	98.05
87	Xerox Corp.	4.30	40.40	59.60
88	Zenith Radio Corp.	1.10	19.78	80.22

APPENDIX C

INTRODUCTION TO REGRESSION ANALYSIS

Regression analysis is a standard empirical tool used by economists, other social scientists, and other scientists. It is gaining increasing acceptance in litigation: in antitrust cases (*see*, e.g., *United States* v. *United Technologies Corp.*, 1977-2 Trade Cas. (CCH) ¶ 61,647 (N.D. Ohio 1977) (use of Joskow-Baughman econometric model to establish cross-elasticities of demand)), regulatory proceedings (*see*, e.g., the regression analysis submitted to the Civil Aeronautics Board in the North Central Airlines-Southern Airways merger case and reprinted in Carlton, Landes & Posner, *Benefits and Costs of Airline Mergers: A Case Study*, 11 Bell J. Econ. 65 (1980)), and employment discrimination cases (*see*, e.g., *Presseisen* v. *Swarthmore College* 442 F. Supp. 593 (E.D. Pa. 1977)).

Regression analysis is used to give a quantitative estimate of the relationships among variables.[1] The first step is the construction of a model. A model is simply a system of equations that embodies some theory about the relationship among the variables. Each equation in the system will have a dependent variable (a variable to be explained) and one or more independent (causal) variables, each of which is expected to have some effect on the dependent variable. The regression coefficient on each independent variable measures the effect of a change in that variable on the dependent variable—that is, the effect on the dependent variable of a change in the independent variable alone, holding all other variables constant.[2]

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[1] Fisher, *Multiple Regression in Legal Proceedings*, 80 Colum. L. Rev. 702 (1980), provides a more complete explanation of the construction and use of regressions. See also, M. Finkelstein, *Quantitative Methods in Law* 4-11, 14-17, 211-226 (1978).

[2] Regression coefficients and related statistics (e.g., correlation coefficients, standard errors, etc.) are estimated using standard computer programs.

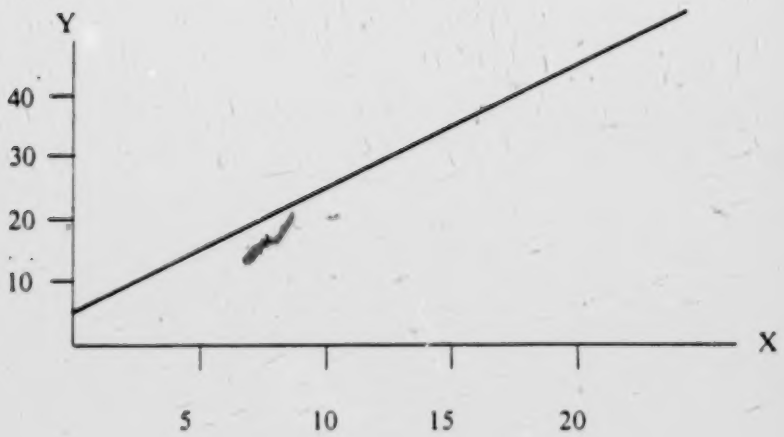
To illustrate, suppose we have data on variables X, Y, and Z, and we want to know how changes in X and Z affect Y. A simple model of this relationship would be:

$$Y = B_0 + B_1X + B_2Z + u.$$

B_1 and B_2 are the regression coefficients; they tell us what influence X and Z have on Y. B_0 is a constant.[3] The last term, u, is called the residual or error term. It reflects both random fluctuations in the data and the effect of left-out variables that

[3] Suppose that every time X increases by 1, Y increases by 2, and that Y starts at 5 while X is still zero. To simplify further assume Z has no effect on X.

Then $B_0 = 5$, $B_1 = 2$, and $B_2 = 0$, so that $Y = 5 + 2X$. A graph of this relationship would look like this:



Thus the constant term indicates where the regression line intersects the vertical axis. In many regression analyses, however, the intercept point is not of interest to the analyst.

are not associated with X or Z. If the computer finds that $B_0 = 5$, $B_1 = 2$ and $B_2 = -1$, this means that if X increases by 1 unit, Y will increase by 2 units; if Z increases by 1 unit, Y will fall by 1 unit; if X and Z increase by 1 unit each, Y will increase by 1 unit; and if X and Z are zero, Y will be 5. Thus, the regression coefficients B_1 and B_2 measure the effect of changes in one independent variable while the other remains unchanged.

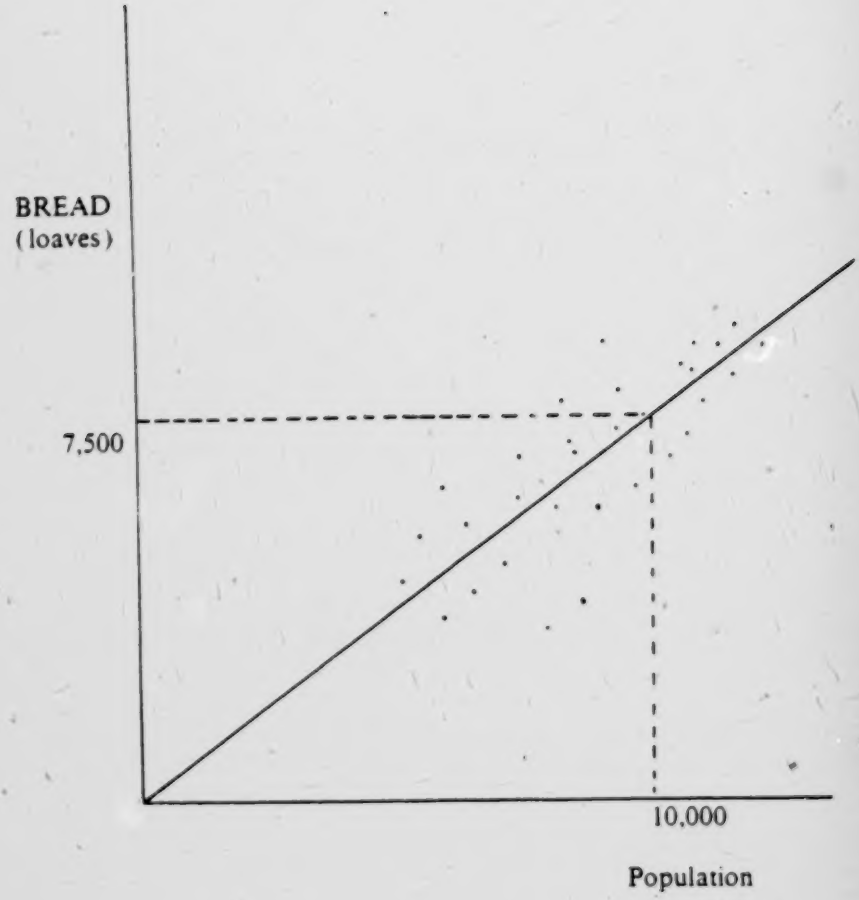
Although we have used an example with two independent variables, the analysis can be generalized to many independent variables. Moreover, although our example assumes a linear relationship between the independent variables and the dependent variable, that assumption could be altered. For example, one might specify a model in which the natural logarithms of variables are used. When this is done, the regression coefficients measure the percentage (rather than unit) change in Y resulting from a one percent (rather than one unit) change in X or Z.

Figure 1 graphs a regression equation. Assume that we know (i) total bread sales in each of 30 cities and (ii) the population of each city (in thousands), and that other factors (e.g., income and the price of bread) influencing bread sales have the same values in each city. We specify the following regression model to test whether bread sales are related to population:

$$BREAD = B_0 + B_1 POP + u.$$

Assume the computer estimates that $B_0 = 0$ and $B_1 = 0.75$. This would mean that bread sales increase by 75 loaves when population increases by 100 persons. Since we are working with a two-variable model, this result can be interpreted graphically as a line with an intercept of 0 (implying, logically enough, that no bread is sold when population is zero) and a slope of 0.75. The individual dots in Figure 1 represent individual observations. (E.g., if some city had a population of

Figure 1



7,000 and 6,000 loaves of bread were sold there, this population-bread pair, a point at the intersection of 7,000 on the horizontal axis and 6,000 on the vertical axis, would be one observation.) Notice that in Figure 1 most of the observations do not fall on the regression line; there is some unexplained variation in bread sales. The error term, u, measures the vertical distance between each observed population-bread pair and the predicted one. To fit the regression line to the scatter of observations, the computer executing the regression program is told to choose (in a linear regression) the straight line that minimizes the sum of the squared error terms. This procedure results in a straight line that fits the data best. Squaring the errors gives equal weight to positive and negative distances from the regression line and scales the data so that standard measures of statistical significance can be used.

It is important to know how well the regression model "fits" (explains) the data. Two measures commonly are used for this purpose. The first is the t-statistic associated with each regression coefficient. The t-statistic allows us to test whether the corresponding regression coefficient is statistically significant. Although there is no precise t-value for determining when a regression coefficient is statistically significant, it is conventional in economic empirical work to specify that a positive regression coefficient is statistically significant if there is less than one chance in 10 or in 20 that the coefficient really is zero or negative. This requires a t-statistic of 1.65 or 1.96 if the sample contains at least 100 observations. As the value of the t-statistic approaches zero, the probability grows that the variable in question really has no effect on the dependent variable (i.e., that one cannot reject the hypothesis that the true coefficient is zero).[4]

[4] Each t-value implies a specific probability that the coefficient for the independent variable under examination is different from zero. For a sample containing at least one hundred observations t-values of about 1.65 or 1.96 (in absolute value) means there is 90 percent or 95 percent probability that the coefficient is different from zero (and thus

(Footnote continued on following page)

The second statistic is R^2, which measures the percentage of variation in the dependent variable that is accounted for by all the independent variables. R^2 measures the goodness of fit of the entire regression model rather than the significance of particular independnet variables. Its value can range from zero to one. If R^2 is zero, the regression model explains none of the variance in the dependent variable. If it is one, the independent variables explain all of the variance in the dependent variable.[5] R^2 is difficult to interpret because it depends on the size, degree of aggregation, and other characteristics of the data. Most empirical studies therefore rely more on t-statistics.[6]

Although this may have seemed somewhat technical, the points required to understand our analysis can be stated simply.

1. Multiple regression analysis is a way of analyzing the effects of a number of independent variables on a dependent variable.
2. The regression coefficients indicate the effect of each independent variable on the dependent variable, holding constant the effects of all other independent variables. It thus enables one to separate important variables from unimportant ones and to estimate what would happen if any one variable was changed.

(Footnote continued from preceding page)

has some effect on the dependent variable). These t-values are for a two-tail test of the significance of an independent variable. A two-tail test is used when there is no strong hypothesis on the predicted sign of the independent variable, and the researcher seeks to determine if the observed regression coefficient is significantly different from zero. When there is a strong prediction on the variable's sign, a one-tail test may be more appropriate. The required t-statistics corresponding to 90 and 95 percent levels of significance are 1.28 and 1.65.

[5] Alternatively, one can say that $(1-R^2)$ is the unexplained or residual variation in the dependent variable. The random error term u in the above equation $Y = B_0 + B_1X + B_2Z + u$ measures the residual variation in Y.

[6] The problems of R^2 statistics are noted in J. Kmenta, *Elements of Econometrics* 233-35 (1971), and in H. Theil, *Principles of Econometrics* 181 (1971).

3. The regression coefficients show the magnitude and direction of the effect of any independent variable on the dependent variable, and the corresponding t-statistic shows whether the effect is statistically significant.

4. The goodness of fit of the regression model is measured by R^2, the coefficient of determination.

APPENDIX D

AN EMPIRICAL ANALYSIS OF THE EFFECT OF THE NCAA TELEVISION PLAN ON ATTENDANCE AT FOOTBALL GAMES

Appendix D presents in detail the regression study of attendance summarized in Part V of this report. Table D-1 lists each school that is included in our study, along with its NCAA division; and Table D-2 lists the definitions of all variables included in the regressions. Appendix E discusses the sources for the variables.

The results of the regression analysis are shown beginning with Table D-3. Each coefficient can be interpreted (approximately) as the percentage change in attendance that would result from a one percent change in that variable.[1] If the variable is a dummy variable then the coefficient should be interpreted as the percentage change in attendance that occurs when that condition is true, rather than not true.[2] For example, the coefficient on HEADER measures the percentage change in attendance when a double header is shown relative to days when only a single game is shown. The column labelled "t-Statistics" presents a statistic that summarizes the significance of the estimated coefficient (the meaning of this statistic is explained in Appendix C).

In Table D-3 results are presented from a regression estimated over the whole sample of teams. In this regression the effects of the independent variables are not allowed to differ

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[1] Because the dependent variable is the logarithm, rather than the actual value of attendance, the change in attendance resulting from a change in a dummy variable is actually measured as the exponent of the coefficient minus one. This technical point is of little concern unless the coefficient is large in absolute value.

[2] A variable that represents the presence or absence of some condition (e.g., a game between conference members) by a value of one or zero is called a "dummy" variable.

Table D-1

Colleges and Universities in Our Sample

Georgia	Oklahoma
University of Georgia (I-A)	University of Oklahoma (I-A)
Auburn (I-A)	University of Arkansas (I-A)
Clemson (I-A)	Bishop (III)
Davidson (I-AA)	East Texas State (II)
Fort Valley State (II)	North Texas State (I-A)
Furman (I-A)	Oklahoma State (I-A)
Georgia Tech (I-A)	Southern Methodist University (I-A)
Jacksonville State (II)	Southwestern Missouri (II)
Johnson C. Smith (II)	University of Texas at Arlington (I-A)
Morehouse (II)	Texas Christian University (I-A)
Morris Brown (II)	Texas Tech (I-A)
Savannah State (III)	University of Tulsa (I-A)
University of the South (III)	West Texas State (I-A)
University of South Carolina (I-A)	
University of Tennessee at Chattanooga (I-A)	
Tuskeegee Institute (II)	
Western Carolina (I-A)	
West Georgia (III)	

Table D-2

Definition of Variables Used in Analysis of Game Attendance

Variable	Description
LATTEND	Natural logarithm of the total attendance at a game in our sample.
HEADER	A variable taking the value 1 for days on which there is a televised college football double-header, 0 otherwise.
ENDWINS	The home team's end-of-season wins as a percent of total games played. (Ties are counted as 0.5).
CONFERENCE	A variable taking the value 1 if the home team and opponent are members of the same conference, 0 otherwise.
STATE GAME	A variable taking the value 1 if the home team and opponent are located in the same state, 0 otherwise.
RAIN	A variable taking the value 1 if the game report filed with the NCAA indicated any precipitation during the game, 0 otherwise.
HOT	A variable taking the value 1 if the game report filed with the NCAA indicated the temperature during playing time was 85 degrees or greater, 0 otherwise.
COLD	A variable taking the value 1 if the game report filed with the NCAA indicated the temperature during playing time was 40 degrees or less, 0 otherwise.
HOMECOMING	A variable taking the value 1 if the game played is the Homecoming game, 0 otherwise.
NIGHT GAME	A variable taking the value 1 if the game was played at night (after 6:00 p.m.), 0 otherwise.

Table D-2
(continued)

Definition of Variables Used in Analysis of Game Attendance

Variable	Description
TELEVISE	A variable taking the value 1 if the game was televised, 0 otherwise.
1978	A variable taking the value 1 if the game was played in that year, 0 otherwise.
1979-1981	Defined in the same manner as the 1978 variable.
SCHOOL VARIABLES	For each school in our sample, a variable was defined to take the value 1 if that school was the home team, 0 otherwise. The variable names correspond to the school names.

Table D-3

Regression of Logarithm of Game Attendance on Factors Influencing Attendance, Excluding Weather (Pooled Sample)

Dependent Variable: Log Total Attendance
Number of Observations: 728
R^2 : 0.90

Variable	Coefficient	t-Statistics
Intercept	8.941	90.92
HEADER	-0.040	-1.29
ENDWINS	0.110	1.28
CONFERENCE	-0.052	-1.63
STATE GAME	0.149	4.40
HOMECOMING	0.234	6.06
NIGHT GAME	0.139	3.77
TELEVISE	0.046	0.78
1978	0.043	0.97
1979	0.067	1.49
1980	0.065	1.48
1981	0.094	2.14
SCHOOL VARIABLES:		
Arkansas	1.654	15.99
Auburn	1.868	18.15
Bishop	-0.907	-8.19
Clemson	1.838	17.01
Davidson	-1.204	-10.21
East Texas State	-0.927	-5.57
Fort Valley State	-0.373	-3.35
Furman	0.151	1.42
Georgia	1.978	18.77
Georgia Tech	1.422	13.63
Jacksonville State	0.006	0.06
Johnson C. Smith	-0.854	-7.65
Morehouse	-0.121	-1.10
Morris Brown	0.022	0.20
North Texas State	0.358	3.16
Oklahoma	2.133	19.75
Oklahoma State	1.627	15.33
Savannah State	-0.422	-3.79
South Carolina	1.717	17.15

Table D-3
(continued)

Regression of Logarithm of Game Attendance on Factors Influencing Attendance, Excluding Weather
(Pooled Sample)

Variable	Coefficient	t-Statistics
Southern Methodist U.	1.247	11.85
U. of the South	-1.795	-13.98
Southwestern Missouri	-0.509	-4.80
Texas Christian U.	0.700	6.51
U. of Tennessee at Chattanooga	-0.096	-0.90
Tulsa	0.687	6.51
Tuskegee Institute	-0.044	-0.33
U. of Texas at Arlington	-0.421	-3.98
Texas Tech	1.469	14.33
Western Carolina	-0.098	-0.94
Western Georgia	-0.375	-2.06
West Texas State*	—	—

* No coefficient is estimated for West Texas State in this regression. It is necessary to exclude one school variable when an intercept is estimated, as we do in this regression, to avoid multicollinearity. Multicollinearity occurs when one variable is identical to another for all observations in the sample, or when the sum of several variables is identical to another. The intercept is merely the value 1 for each observation (that is, each game for our sample). Since each school variable takes the value one for observations when that school is the home team, and zero otherwise, the sum of all the school variables equals the value of the intercept. The computer is unable to estimate accurately the coefficients for the collinear variables.

Because West Texas State is not represented by a school variables, the intercept term actually represents the mean value of the log of attendance for that school (holding constant the effects of the other variables in the regression). Each school variable then shows the amount by which average log attendance for that school (again, holding constant the effect of these variables) differs from that of West Texas State.

according to whether the school is in Division I, Division II or Division III. In addition, because no weather data are available for schools in Divisions II and III, the weather variables could not be included in the regression. The results generally agree with my expectations of the determinants of attendance at college football games. For example, attendance at an in-state game is about 14 percent higher than at games between teams from different states; attendance on homecoming weekend is about 20 percent higher than on other weekends; and night games attract about 14 percent more people than day games. Other variables are less significant[3], but still suggest an effect in the expected direction, such as the 11 percent attendance increase that results if a team's winning percentage rises from zero to one and the slow increase in per-game attendance that occurred between 1977 and 1981.

The effect on attendance of telecasting two games rather than one is measured by the coefficient on HEADER. The results show a 4 percent attendance reduction on days then two games rather than one are televised. This coefficient is significant at a 90 percent confidence level.[4]

Because of the considerable variation among teams in the quality and character of their football programs, the sample was divided into games played by Division I teams and games played by teams in Divisions II and III and separate regressions were estimated for these two samples. Weather variables were included in the regressions for Divisions I. The results, shown in Tables D-4 and D-5, show that an increase in the school's winning percentage, measured by ENDWINS, increases attendance at Division II and III schools but has no effect on

[3] In our discussion of the results, the terms "significant" or "significantly" refer to statistical significance in the sense discussed in Appendix C. Unless explicitly mentioned a variable is considered significant if its t-statistic is 1.65 (in absolute value) or greater.

[4] This means that there is less than one chance in ten that the coefficient is actually zero.

Division I schools. A game between two schools in the same state increases attendance significantly at all schools, but has a larger effect on Division I. Homecoming weekend increases attendance significantly at all schools, but by a much larger amount in Divisions II and III. Attendance at night games is larger than at day games by approximately the same amount at schools in both sets of divisions. Rain reduces attendance at Division I schools, but extreme temperatures appear to have no effect on an attendance.

The effect of having two rather than one game telecast in an afternoon is measured by the coefficient on HEADER. For Division I teams the coefficient is -0.022, sugesting about a two percent reduction in attendance from telecasting a double header rather than a single game (although the coefficient is not significant). For Division II and III teams, however, the effect is considerable larger, with attendance declining by approximately 10 percent. This suggests that by restricting the number of college football telecasts permitted, the NCAA may have expanded attendance at live games.

For Division I teams, which are the only teams in our sample ever televised, no significant effect on attendance was found if the game itself was televised. This variable is probably measuring two opposing tendencies, the fact that some people stay home rather than attend a game if that game can be seen on television and the fact that games that are televised tend to be high quality and attract large audiences, and the net effect appears to be zero.

Table D-4

Regression of Logarithm of Games Attendance on Factors Influencing Attendance, Including Weather Divisions I-A and I-AA Only

Dependent Variable: Log Total Attendance
Number of Observations: 482
R^2: 0.91

Variable	Coefficient	t-Statistic
Intercept	8.940	102.45
HEADER	-0.022	-0.69
ENDWINS	0.053	0.65
CONFERENCE	0.024	0.77
STATE GAME	0.184	4.99
HOMECOMING	0.097	2.53
NIGHT GAME	0.134	3.50
TELEVISE	0.049	0.98
RAIN	-0.178	-3.47
HOT	0.042	1.25
COLD	-0.083	-0.92
1978	0.052	1.20
1979	0.071	1.63
1980	0.136	3.21
1981	0.098	2.31

Note: Dummy variables for each school were also included in this and subsequent regressions but their coefficients are not report.

Table D-5

Regression of Logarithm of Games Attendance on Factors Influencing Attendance, Excluding Weather Divisions II and III Only

Dependent Variable: Log Total Attendance
Number of Observations: 211
R^2: 0.59

Variable	Coefficient	t-Statistic
Intercept	8.308	25.39
HEADER	-0.098	-1.33
ENDWINS	0.432	1.65
CONFERENCE	-0.231	-2.60
STATE GAME	0.138	1.85
HOMECOMING	0.556	5.95
NIGHT GAME	0.164	2.02
1978	0.005	0.04
1979	-0.010	-0.80
1980	-0.101	-0.85
1981	0.030	0.26

Note: See Table D-4.

APPENDIX E

Sources of Data Used in Attendance Study

The data used in the study of attendance cover the period 1977 to 1981 and were collected for the 31 schools shown in Table D-1. Attendance data were taken from unpublished reports filed with the NCAA by each school. Both the home and visiting teams in Division I-A and I-AA file weekly reports after each football game. These reports, called *Summary of Football Game Statistics*, provide information on game attendance, score, kickoff time, temperature, precipitation and various statistics on the performance of individual players. Most of these reports provided all the information requested, although some were missing certain data. Weather information was missing most often, and kickoff time was sometimes not reported. From these reports we took information on game score, kickoff time, temperature and precipitation.

Each Division I-A and I-AA team is also required to report to the NCAA at the end of each football season the paid and total attendance at each home game. These *NCAA Football Attendance Reports* were the source of data on game attendance (total attendance). The attendance figures reported on these end-of-year reports are considered more accurate than the figure given on the weekly game reports, because an accurate attendance count cannot always be made until a considerable time after the game, and the weekly reports must be filed immediately. If a school failed to file an annual attendance report, however, attendance figures were taken from the weekly sheets.

For Divisions II and III, attendance figures for all games are given in an annual *Final Cumulative Football Statistics Report* filed with the NCAA at the end of the season. These reports list the opponent, score, and attendance, but give no information on date of game, kickoff time or weather. In cases where a school did not report attendance for a particular home

game but its opponent was also a school in the sample and reported attendance, the visiting team's attendance figure was used.

Additional descriptive information about the schools and specific games were taken from the annual *NCAA Football Records*. These books contain the schedule of each team, including opponent, date and whether the game was scheduled at night, as well as the location and division and, for Division I-A and I-AA teams, conference. In addition the *Records* report the previous year's record of each team. These books were used to determine whether Division II and III games for which information was missing); to determine the date on which all Division II and III games were played; and for information on division, location, and (for Divisions I-A and I-AA) conference, both for the teams in the sample and (for division, location and conference) for their opponents.

Data on conference affiliation of Division II and III teams were taken from the *NCAA Directory, 1981-82*.

Information on the date of homecoming weekend was collected by telephone from sports information directors at the schools in our sample.

Information on the number of televised games played on a particular date was taken from the annual NCAA *Television Plans*, which contain the television schedule for the year.

PLAINTIFFS' EXHIBIT 1A

1982-83

Manual of the National Collegiate Athletic Association

Constitution, Bylaws, Interpretations
Executive Regulations, Recommended Policies
Enforcement Procedure, Administration
Constitution and Bylaws Case Book

• • •

Constitution and Interpretations of
The National Collegiate Athletic Association

* * *

ARTICLE ONE

NAME

The name of this organization shall be "The National Collegiate Athletic Association."

ARTICLE TWO

PURPOSES AND FUNDAMENTAL POLICY

Section 1. Purposes. The purposes of this Association are:

(a) To initiate, stimulate and improve intercollegiate athletic programs for student-athletes and to promote and develop educational leadership, physical fitness, sports participation as a recreational pursuit and athletic excellence;

(b) To uphold the principle of institutional control of, and responsibility for, all intercollegiate sports in conformity with the constitution and bylaws of this Association;

(c) To encourage its members to adopt eligibility rules to comply with satisfactory standards of scholarship, sportsmanship and amateurism;

(d) To formulate, copyright and publish rules of play governing intercollegiate sports;

(e) To preserve intercollegiate athletic records;

(f) To supervise the conduct of, and to establish eligibility standards for, regional and national athletic events under the auspices of this Association;

(g) To cooperate with other amateur athletic organizations in promoting and conducting national and international athletic events;

(h) To legislate, through bylaws or by resolution of a Convention, upon any subject of general concern to the members in the administration of intercollegiate athletics; and

(i) To study in general all phases of competitive intercollegiate athletics and establish standards whereby the colleges and universities of the United States can maintain their athletic activities on a high level.

Section 2. Fundamental Policy. (a) The competitive athletic programs of the colleges are designed to be a vital part of the educational system. A basic purpose of this Association is to maintain intercollegiate athletics as an integral part of the educational program and the athlete as an integral part of the student body and, by so doing, retain a clear line of demarcation between college athletics and professional sports.

(b) Legislation governing the conduct of intercollegiate athletic programs of member institutions shall apply to basic athletic issues such as admissions, financial aid, eligibility and recruiting; member institutions shall be obligated to apply and enforce this legislation, and the enforcement program of the Association shall be applied to an institution when it fails to fulfill this obligation.

ARTICLE THREE

PRINCIPLES FOR THE CONDUCT OF INTERCOLLEGIATE ATHLETICS

Section 1. Principle of Amateurism and Student Participation. An amateur student-athlete is one who engages in a particular sport for the educational, physical, mental and social benefits derived therefrom and to whom participation in that sport is an avocation. *(Revised: 1/9/74)*

* * *

Section 5. Principle Governing Recruiting. The recruiting of student-athletes shall be controlled by bylaws enacted by the Association.

* * *

Section 8. Principles Governing Playing and Practice Seasons. (a) Member institutions shall not schedule intercollegiate athletic contests in conjunction with professional sports contests or exhibitions.

(b) Organized practice and playing seasons in all sports may be controlled by bylaws enacted by the Association.

* * *

Section 10. Principle Governing Personnel and Squad Limitations. The bylaws of the Association may prescribe limitations as to the number of coaches a member institution may employ or otherwise utilize, the size of a squad in any sport and game scouting activities. *(Adopted: 8/15/75)*

Section 11. Principle Governing Football Television. The telecasting, cablecasting or otherwise televising of intercollegiate football games of member institutions shall be controlled by bylaws enacted by the Association. *(Adopted: 1/12/82)*

ARTICLE FOUR

MEMBERSHIP

* * *

Section 2. Conditions and Obligations of Membership. The members of this Association agree:

(a) To administer their athletic programs in accordance with the constitution, the bylaws and other legislation of the Association;

* * *

Section 6. Termination of Membership—Discipline of Members. (a) Disciplinary powers of the Association shall be exercised in accordance with the provisions of this section and the bylaws.

(b) The membership of any active or allied member failing to maintain the academic or athletic standards required for membership or failing to meet the conditions and obligations of membership may be terminated or suspended or the member otherwise disciplined by a vote of two-thirds of the delegates present and voting at an annual Convention, provided that a member shall not be suspended or its membership terminated unless:

(1) Notice of intention to move such termination or suspension, stating the grounds on which such motion will be based, is given in writing to the secretary of this Association and to the chief executive officer of such member on or before the first day of November prior to the Convention; and

(2) The Council approves the giving of the notice of intention to move for such termination or suspension, and

(3) Such notice is included in the Official Notice of the annual Convention.

(c) The membership of any associate or affiliated member failing to meet the conditions and obligations of membership or failing to support and adhere to the purposes and policies set forth in Article 2 of this constitution may be terminated or suspended or the member otherwise may be disciplined through the following procedure: *(Adopted: 1/10/79)*

(1) The Committee on Infractions, by majority vote, may recommend such action to the Council, which may adopt the recommendation by a two-thirds vote of its members present and voting. *(Adopted: 1/10/79)*

(2) The associate or affiliated member shall be advised of the proposed action at least 30 days prior to any Committee on Infractions or Council meeting in which such action is considered and shall be provided the opportunity to appear at any such meeting. *(Adopted: 1/10/79)*

(d) Disciplinary or corrective actions other than suspension or termination of membership may be effected during the period between annual Conventions by members of the Committee on Infractions present and voting at any duly called meeting thereof, provided the call of such meeting shall have contained notice of the situation presenting the disciplinary problem. The actions of the Committee on Infractions, however, shall be subject to review by the Council upon appeal. *(Revised: 1/13/73)*

(e) If an active member's accreditation is removed by its regional accrediting agency, said active member shall be reclassified immediately as an associate member.

(f) If any member of an athletic conference is found to be ineligible for active membership in this Association, such conference shall be ineligible for allied membership and its membership terminated, unless the conference has 40 or more members and at least 90 percent of said conference members are active members of this Association.

(g) The membership of any active, allied, associate or affiliated member failing to pay its annual dues for one year shall be terminated automatically.

(h) Upon any termination or suspension of membership, all rights and privileges of the member shall cease forthwith.

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ARTICLE FIVE

ORGANIZATION

Section 1. Council. The establishment and direction of the general policy of the Association in the interim between Conventions is committed to a Council of 22 members, including at least four women, which shall be elected at the annual Convention of the Association. *(Revised: 1/14/81)*

* * *

ARTICLE SIX

BYLAWS, INTERPRETATIONS, EXECUTIVE REGULATIONS AND RESOLUTIONS

* * *

Section 2. Interpretations. The Council, in the interim between Conventions, and the president, secretary-treasurer and executive director, in the interim between meetings of the Council, are empowered to make interpretations of the constitution and bylaws which shall be binding after their publication and circulation to the membership, or after notification to a member institution when the interpretation is limited to that institution and not of general significance or application to the membership at large. Any member of the Association may request that any such interpretation be passed upon by the next annual Convention by making request in writing to the secretary prior to 1 p.m. on the day preceding the business session of the Convention. *(Revised: 1/12/77)*

(a) If an interpretation of the constitution submitted to the Convention fails to receive a two-thirds majority of those delegates present and voting, thereafter it shall not be binding upon the membership.

(b) If an interpretation of the bylaws submitted to the Convention fails to receive a majority of those delegates present and voting, thereafter it shall not be binding upon the membership.

• • •

ARTICLE EIGHT

FOOTBALL TELEVISION

(Adopted: 1/12/82)

Section 1. Control of Football Television. The Association shall control all forms of the telecasting, cablecasting or otherwise televising of the intercollegiate football games of member institutions during the traditional fall season as defined in Bylaw 3-2 in accordance with the following provisions.

Section 2. Football Television Principles. The terms of the Association's control shall be set forth in television principles for each division (i.e., Divisions I, II and III) as periodically prepared by the Football Television Committee and approved by majority vote of those voting in the respective divisions. [Note: The provisions of Bylaw 11-1-(g) do not apply to voting by Division I under this bylaw article.]

(a) Only members that sponsor varsity intercollegiate football shall be permitted to vote on adoption of NCAA football television principles and on amendments to this bylaw article, provided, however, that all such principles shall be subject to the rescission provisions set forth in Bylaw 13. An institution which sponsors football as a varsity intercollegiate sport in a division other than its membership division shall vote in the division in which its football program is classified.

(b) Each division shall determine its own procedure for the approval of the football television principles and the formulation and adoption of the provisions of a supporting

plan. The members of a division may approve such principles by mail referendum of those members.

(c) Any commitment by a member institution with respect to telecasting or cablecasting or otherwise televising its football games in a future season or seasons shall be subject to the terms of the NCAA football television principles and supporting plan provisions applicable to such season(s) for that institution's football division.

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PLAINTIFFS' EXHIBIT 130

1981 NCAA Football Television Committee Report

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

1. The NCAA Television Plan and its Operation in 1981

The NCAA's program of controlled football television is designed to bring attractive, representative college games to the nation's television viewers weekly while protecting to the highest extent possible the in-stadium attendance of each football-playing member of the Association.

The principles of the 1978-1981 Plan, under which the 1981 NCAA Football Series was televised by ABC-TV, were authorized by the membership in May 1977, by a 304-65 referendum; and the Plan subsequently was negotiated in detail with the network by the Television Committee. During college football's 113th season of play, the NCAA's 32nd Television Committee administered all of the Association's football television activity under terms of that Plan.

* * *

Promotion

The NCAA Football Television and Promotion committees worked together again to provide maximum exposure for college football.

For the 12th consecutive year, the press kit supplied by the NCAA Statistics Service proved to be a valuable and worthwhile source of information to media representatives around the country. Weekly statistical rankings for the four divisions of NCAA football were issued, as well as the annual NCAA Football Records book.

Film features on NCAA events and personal features were produced under the direction of Ron Schwartz, director of the NCAA Television News Service in New York City. Between four and six film clips of individual features were sent via the networks' daily electronic feed services to their affiliates each week. Features also were provided to ESPN, the Cable News

Network and two associations that provide news features to independent television stations. In addition, advance information on the college football and basketball seasons was sent out from the New York office.

The NCAA Promotion Committee and ABC-TV teamed up once again this year to cosponsor the College Football Press Tour prior to the start of the season. Six top student-athletes traveled to seven cities on a trip designed to present college football representatives to media in different parts of the nation. This year, the players making the tour were Tony Hunter, Notre Dame; Jim McMahon, Brigham Young; Darrin Nelson, Stanford; Art Schlichter, Ohio State; Tommy Wilcox, Alabama, and Charlie Wysocki, Maryland. Stops were made in Kings Island, Ohio; New York; Boston; Dallas; San Francisco, and Los Angeles. When the group was in Kings Island, its activities were coordinated with the annual meeting of the Football Writers Association of America. A press conference with the student-athletes and a nationally prominent coach(es) was scheduled in each city. The majority of the time was devoted to individual interviews. The players were joined on the coast-to-coast tour by Keith Jackson.

The "College Football Preview," which was inaugurated in 1977 by the promotion committee, has proven to be extremely popular with writers, who receive information about the upcoming football season. The February 1981 preview included some 70 writers from across the country and nine of the most successful college coaches for the Kansas City meeting.

In 1979, in response to requests from chief executive officers of member institutions and with the assistance of the Council for the Advancement and Support of Education and other education groups, the committee adopted a new format for utilization of the promotional time allocated the Association on series telecasts.

It developed a series of 90-second messages on higher education designed to transmit the three traditional functions of the collegiate institution—teaching, research and service to the community. The program was continued in 1981 with a new theme. Six such messages were produced by NCAA Productions, with most aired twice on the 12 national telecasts. They were preceded by an introductory message on the initial series telecast. The theme of each was "America's Energy is Mindpower."

On the 10 regional presentations, the NCAA used promotional messages covering a wide range of topics of interest to its membership and related to intercollegiate athletics, including NCAA championships, drug education, sports medicine and proper recruiting.

In addition, four 15-second promotional messages on college athletics were presented during each telecast. At half time, a presentation from each competing institution was aired. The committee also authorized 30-second messages promoting the National Football Foundation's College Hall of Fame in Kings Island, Ohio, during half time of the national telecasts.

Division I-AA, Division II and Division III Championships

The Association's reorganization in 1973 converted the College Division into Division II and Division III; and the ninth national football championships in those two divisions were televised in 1981, plus the fourth Division I-AA championship, which was established in 1978.

ABC Sports provided regional coverage December 5 of the National Collegiate Division III Football Championship, won by Widener, 17-10, over defending champion Dayton in the Stagg Bowl in Phenix City, Alabama. The Division II semifinal contests on that date (Southwest Texas State 62, Northern Michigan 0; North Dakota State 18, Shippensburg State 6) also

were televised regionally. ABC's coverage December 12 included a regional telecast of the National Collegiate Division II Football Championship, won by Southwest Texas State, 42-13, over North Dakota State in the Palm Bowl in McAllen, Texas. In addition, Division I-AA was represented on December 12 with regional telecasts of its semifinal games (Eastern Kentucky 23, Boise State 17; Idaho State 41, South Carolina State 12). The Division I-AA championship game—won by Idaho State, 34-23, over Eastern Kentucky—was nationally telecast December 19 from Wichita Falls, Texas.

* * *

2. Team Participation

Widespread participation by NCAA members on different types of television programming, including the NCAA series itself, marked the 1981 college football season.

In addition to the 76 institutions appearing on the series, another 46 appeared in exception telecasts and other types of programs for a total of 122 in 1981. In 1980, 136 appeared.

Revenue from the series was shared by 145 institutions in 1981.

During the past season, the following numbers of games were televised in these categories:

400-Mile Exceptions	41
Sellout Exceptions	24
Special Division I Exceptions	4
Divisions II, III Exceptions	17
Divisions II, III Exception Cablecasts	3
Sellouts on Educational Stations	1
Closed Circuit Telecasts	20
400-Mile Exception Cablecasts	3
Sellout Exception Cablecasts	7

The following list includes each member institution that appeared on any type of telecast administered by the committee during the 1981 season.

Appearances on NCAA Football Television Series and in Exception Telecasts, 1981

Institution	Series Telecasts	Exception Telecasts
1. Alabama	(N)R N	
2. Appalachian State	R	
3. Arizona		400 (2), CC
4. Arkansas	R R	
5. Arkansas State	R	
6. Army	(N)	
7. Auburn	N	
8. Augustana (S.D.)		RS
9. Baylor	R	
10. Boise State		SO (3), DC
11. Boston College	R	
12. Brigham Young	R R	CC
13. California	R R	400
14. Canisius		DEC (3)
15. Central Michigan	R R	
16. Cincinnati		SOC
17. Citadel	R	
18. Clemson	R R	CC
19. Dartmouth	R	
20. Dayton		DC
21. DePauw		DE
22. Drake	R	
23. Duke	R	
24. Duquesne		DE
25. Eastern Kentucky		400, DC (2)
26. Florida	R N	CC
27. Florida State	R R	400 (5), CC
28. Franklin & Marshall		RS
29. Fresno State	R	400 (3)
30. Georgia	R N (N)	CC
31. Georgia Tech	(N)	
32. Gettysburg		RS

Institution	Series Telecasts	Exception Telecasts
33. Grambling	R	
34. Harvard		CC
35. Hawaii	R	400 (3)
36. Houston	R R	
37. Idaho State		SO, DC (2)
38. Illinois		SE
39. Iowa	N R	CC
40. Iowa State		400
41. Ithaca		DE (6)
42. Jackson State	R	
43. Kansas	R	
44. Kentucky	R	400
45. Lehigh		SO
46. Louisiana State	(N)	400
47. Louisville	R	400
40. Miami (Fla.)	W R (ThF)	400(4)
49. Miami (Ohio)	R	
50. Michigan	N R	
51. Millikin		RS
52. Minnesota	R N	
53. Minnesota-Duluth		DE (2)
54. Mississippi State	R R	CC
55. Mississippi Valley St.	R	
56. Missouri	R N	SO (3)
57. Navy	R (N)	
58. Nebraska	N R	400, ETV
59. Nevada-Las Vegas	R	
60. Nevada-Reno		SO
61. New Mexico	R	400 (4)
62. North Alabama		RS
63. North Carolina	R R	
64. North Carolina State	R R	
65. North Dakota		RS
66. North Dakota State		DE, DC (2)
67. North Texas State		SE
68. Northern Michigan		DE (4), DC
69. Northwestern		400
70. Notre Dame	N (ThF)	400 (2), SO (7)

Institution	Series Telecasts	Exception Telecasts
71. Ohio State	R R	400
72. Oklahoma	R N	SO, SOC, CC
73. Oklahoma State	R	SO, 400C, SOC (2)
74. Oregon State	R	
75. Penn State	W R N	SO
76. Pittsburgh	R N	
77. Purdue	(N) R R	
78. St. Norbert		DE
79. Salisbury State		DE
80. San Diego State	R	400
81. San Jose State	R R	
82. Shippensburg State		DC
83. South Carolina	R R	CC (3)
84. South Carolina State	R	DC
85. South Dakota State		RS
86. Southeast Missouri St.		RS
87. Southern California	R N	400C
88. Southern Mississippi	R R	400 (2), SO
89. Southwest Missouri St.		RS
90. Southwest Texas State		DC (2)
91. Stanford	(N)	SOC
92. Syracuse	R	
93. Temple		SOC
94. Tennessee		400
95. Tennessee-Chattanooga	R	
96. Tennessee State	R	
97. Texas	N R	CC (2)
98. Texas A&M	R	
99. Texas Christian	R	400
100. Texas Tech		CC (2)
101. Toledo	R	
102. Troy State		RS
103. Tulane		400 (3)
104. Tulsa	R	400C, SOC
105. UCLA	R N	400
106. Utah	R	CC
107. Utah State		CC
108. Vanderbilt	R	

Institution	Series Telecasts	Exception Telecasts
109. Virginia		SO
110. VMI	R	
111. Virginia State		RS
112. Virginia Tech	R	SO
113. Virginia Union		RS
114. Washington		SO
115. Washington State	R R	SO
116. West Virginia	R	SE
117. Widener		RS, DC
118. Wisconsin	R R	
119. Wisconsin-Platteville		RS
120. Wisconsin-Stout		RS
121. Wyoming	R	SE
122. Yale	R R	CC

CODE

N—National Game
R—Regional Game
W—Wild-card Game
ThF—Thanksgiving Friday
( )—Free Appearance
400—400-Mile Exception Telecast
SO—Sellout Exception Telecast
400C—400-Mile Exception Cablecast
SOC—Sellout Exception Cablecast
ETV—Sellout on College's Educational Station
DE—Divisions II or III Exception Telecast
DEC—Divisions II or III Exception Cablecast
CC—Closed Circuit Telecast
SE—Division I Special Exception Telecast
DC—Divisions I-AA, II or III Championship
RS—Regular-Season Telecast of Division II or III game by ABC-TV

All-Time Appearances

On NCAA Football Television Series

Through 1981 Season

Institution	*Nat.*	*Reg.*	*Total*
Air Force	4	16	20
Akron	0	0	0
Alabama	29	15	44
Alcorn State	0	2	2
Appalachian St.	0	4	4
Arizona	0	13	13
Arizona State	2	13	15
Arkansas	18	24	42
Arkansas State	0	2	2
Army	30	15	45
Auburn	8	13	21
Ball State	0	0	0
Baylor	2	15	17
Bethune-Cookman	0	0	0
Boise State	0	1	1
Boston College	3	9	12
Boston Univ.	0	2	2
Bowling Green	0	3	3
Brigham Young	2	18	20
Brown	0	10	10
Bucknell	0	0	0
Dayton	0	1	1
Delaware	0	0	0
Delaware State	0	0	0
Denver**	0	1	1
Drake	0	1	1
Duke	6	13	19
East Carolina	0	5	5
East Tenn. St	0	0	0
Eastern Ky	0	1	1
Eastern Mich	0	0	0
Fisk	0	1	1
Florida	7	19	26
Florida A&M	0	1	1
Florida State	3	15	18
Fort Valley St	0	1	1
Fresno State	0	1	1
Fullerton State	0	0	0
Furman	0	2	2
Georgia	9	21	30
Georgia Tech	15	12	27
Grambling St	1	7	8
James Madison	0	0	0
Kansas	2	13	15
Kansas State	0	5	5
Kent State	0	5	5
Kentucky	1	7	8
Lafayette	0	0	0
Lamar	0	0	0
Lehigh	0	0	0
Long Beach St	0	0	0
Louisiana State	9	20	29
Louisiana Tech	0	1	1
Louisville	0	2	2
Maine	0	0	0
Marshall	0	0	0
Maryland	5	13	18
Massachusetts	0	5	5
McNeese State	0	2	2
Memphis State	0	2	2
Miami (Fla.)	11	12	23
Miami (Ohio)	0	3	3
Michigan	27	22	49

** Dropped football after 1960 season

Institution	*Nat.*	*Reg.*	*Total*
Buffalo*	0	1	1
California	7	21	28
Central Mich	0	7	7
Cincinnati	0	2	2
Citadel	0	3	3
Clemson	0	15	15
Colgate	0	4	4
Colorado	4	16	20
Colorado State	0	8	8
Columbia	1	1	2
Connecticut	0	1	1
Cornell	1	10	11
Dartmouth	1	15	16
Davidson	0	0	0
Nev.-Las Vegas	0	1	1
Nevada-Reno	0	1	1
New Hampshire	0	0	0
New Mexico	0	10	10
New Mexico St	0	3	3
Nicholls State	0	0	0
North Carolina	2	25	27
N. Carolina A&T	0	0	0
N. Carolina St	1	17	18
Northeastern	0	0	0
NE Louisiana	0	1	1
North Texas St	0	2	2
Northern Ariz	0	1	1

Institution	*Nat.*	*Reg.*	*Total*
Harvard	0	22	22
Hawaii	0	2	2
Holy Cross	2	8	10
Houston	6	10	16
Howard	0	0	0
Idaho	0	4	4
Idaho State	0	2	2
Illinois	6	25	31
Illinois State	0	0	0
Indiana	0	12	12
Indiana State	0	1	1
Iowa	10	16	26
Iowa State	0	8	8
Jackson State	0	3	3
Purdue	8	25	33
Rhode Island	0	0	0
Rice	2	11	13
Richmond	0	2	2
Rutgers	0	2	2
San Diego St	1	5	6
San Jose State	0	10	10
S. Carolina	1	11	12
S. Carolina St	0	2	2
SE Louisiana	0	0	0
Southern-B.R	0	0	0
Southern Cal	34	19	53
Southern Ill	0	0	0

Institution	*Nat.*	*Reg.*	*Total*
Michigan State	17	22	39
Mid. Tenn. St	0	0	0
Minnesota	9	23	32
Mississippi	6	17	23
Mississippi St	1	4	5
Miss. Valley St	0	2	2
Missouri	9	22	31
Montana	0	2	2
Montana State	0	0	0
Morehead St	0	1	1
Morgan State	1	0	1
Murray State	0	1	1
Navy	30	15	45
Nebraska	20	17	37
Tulane	0	6	6
Tulsa	1	9	10
UCLA	30	19	49
Utah	1	7	8
Utah State	0	7	7
Vanderbilt	1	2	3
Villanova*	0	3	3
Virginia	0	2	2
Va. Military	0	5	5
Virginia Tech	0	7	7
Wake Forest	0	7	7
Washington	6	27	33
Washington St	1	15	16

* Dropped football after 1970 season
* Dropped football after 1980 season

Institution	*Nat.*	*Reg.*	*Total*
Northern Ill	0	0	0
Northwestern	5	14	19
NW Louisiana	0	1	1
Notre Dame	38	24	62
Ohio	0	5	5
Ohio State	24	27	51
Oklahoma	28	22	50
Oklahoma St	1	6	7
Oregon	3	17	20
Oregon State	2	11	13
Pacific	0	1	1
Pennsylvania	1	3	4
Penn State	19	23	42
Pittsburgh	19	15	34
Portland State	0	0	0
Prairie View A&M	0	0	0
Princeton	1	12	13
Southern Meth	5	20	25
Southern Miss	0	3	3
SW Louisiana	0	2	2
Stanford	10	25	35
Syracuse	5	19	24
Temple	0	1	1
Tennessee	8	16	24
Tenn.-Chatt	0	2	2
Tennessee St	0	2	2
Texas	34	23	57
Texas A&M	17	19	36
Texas-Arlington	0	0	0
Texas Christian	2	7	9
Texas-El Paso	0	0	0
Texas Southern	0	1	1
Texas Tech	4	18	22
Toledo	0	3	3
Weber State	0	0	0
West Texas St	0	2	2
West Virginia	0	7	7
Western Caro	0	1	1
Western Ky	0	1	1
Western Mich	0	1	1
Wichita State	0	3	3
William & Mary	0	2	2
Wisconsin	4	20	24
Wyoming	0	14	14
Yale	1	19	20

4. College Football Attendance

National

Record years by the Southeastern and Southwestern conferences and the Eastern and Southern independents, plus big increases by the Ivy League and Mid-American conferences all helped college football attendance reach another all-time national high in 1981.

The increase was 266,065 spectators, making the total 35,807,040 for *all* 648 four-year colleges in the United States with varsity teams (497 are NCAA members). It was the 27th increase in the last 28 seasons. College football attendance climbed in 1954 over 1953 and has gone up every year since, except for a tiny drop in 1974.

Since 1954—third year of the NCAA Television Plan—national attendance has more than doubled, from 17.0 million then to 35.8 million now.

#Teams	*Millions	%Up	#Teams	*Millions	%Up
1948—685	19.1	—	1965—616	24.7	5.69
1949—682	19.7	2.71	1966—616	25.3	2.40
1950—674	19.0	-3.51	1967—610	26.4	4.57
1951—635	17.5	-7.81	1968—612	27.0	2.25
1952—625	17.3	-1.10	1969—615	27.6	2.22
1953—618	16.7	-3.51	1970—617	29.5	6.66
1954—614	17.0	2.20	1971—618	30.5	3.36
1955—621	17.3	1.28	1972—620	30.8	1.23
1956—618	18.0	4.43	1973—630	31.3	1.47
1957—618	18.3	1.44	1974—634	31.2	-0.15
1958—618	19.3	5.41	1975—634	31.7	1.45
1959—623	19.6	1.74	1976—637	32.0	1.02
1960—620	20.4	4.02	1977—638	32.9	2.79
1961—616	20.7	1.34	1978—643	34.3	4.09
1962—610	21.2	2.66	1979—643	35.0	2.24
1963—616	22.2	4.76	1980—642	35.5	1.49
1964—622	23.4	5.02	1981—648	35.8	0.75

All four-year U.S. colleges with varsity teams.
* Millions rounded off; percent of change based on exact change in total attendance.

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8. Telecast Schedule and Ratings

Continuing the improvement seen a year ago, television ratings of the NCAA series climbed to 12.0 in 1981, up from the 11.5 percent average achieved in 1980 and back to the 1978 level.

In addition, NCAA football was viewed in an average of 9,780,000 homes, more than a half-million more than last year and the second-highest homes average in the history of the series.

A national double-header on November 28 highlighted this year's telecasts. The opening game, Penn State vs. Pittsburgh (ranked No. 1 at that time), had a rating of 14.8. That telecast was followed by Alabama vs. Auburn, featuring coach Paul "Bear" Bryant's record-setting 315th victory; the Alabama/Auburn game drew a 17.3 rating and was seen in an average of more than 14 million homes.

Other key 1981 telecasts included:

—Regional presentation featuring Oklahoma vs. Southern California on September 25 (14.3).

—National telecast of Penn State vs. Miami (Fla.) on October 31 (14.5).

—National telecast of UCLA vs. Southern California on November 21 (15.5).

Also, the annual Army/Navy game on December 5 and a regional presentation highlighted by Ohio State/Michigan on November 21 each had a 13.8 rating.

Following are comparative ratings figures for the series since the current ratings system was adopted in 1968:

Year	Rating	Homes	Share
1968	12.9	7,400,000	37
1969	13.9	8,200,000	38
1970	13.8	8,300,000	36
1971	14.0	8,700,000	38
1972	13.3	8,600,000	35
1973	12.2	8,000,000	34
1974	12.0	8,200,000	33
1975	13.2	9,200,000	35
1976	14.1	10,040,000	37
1977	13.2	9,620,000	37
1978	12.0	8,900,000	35
1979	11.4	8,700,000	33
1980	11.5	9,190,000	33
1981	12.0	9,780,000	32

1981 NCAA Football Television Ratings

Date	Visitor/Home Team		Total Stations	Total Audience	Total Homes (000)	Average Audience (Rating)	AA Homes (000)	Share
9-5	Alabama/Louisiana State		204	22.6	18,420	11.1	9,050	22
9-12	Stanford/Purdue		201	20.3	16,540	7.4	6,030	22
9-19	Notre Dame/Michigan		207	24.9	20,290	11.7	9,540	36
9-26	Boston College/North Carolina	46						
	Oregon State/Minnesota	77	212	21.2	17,280	8.1	6,600	28
	Florida/Mississippi State	48						
	San Jose State/California	41						
9-26	Oklahoma/Southern California	207						
	Appalachian State/Citadel	4	213	30.3	24,690	14.3	11,650	32
	Jackson St./Mississippi Valley	2						
10-3	Purdue/Wisconsin	92						
	Arkansas State/Kansas	21						
	Clemson/Kentucky	55	213	22.1	18,010	9.3	7,580	31
	Baylor/Houston	24						
	Navy/Yale	21						
10-3	San Jose State/Fresno State	23						
	Nevada-Las Vegas/Wyoming	32						
	Missouri/Mississippi State	83	209	24.3	19,800	10.0	8,150	24
	Pittsburgh/South Carolina	71						
10-10	Oklahoma/Texas		211	20.6	16,790	8.7	7,090	28
10-17	Texas/Arkansas	99						
	UCLA/Washington State	31						
	Brigham Young/San Diego State	22	210	27.8	22,660	12.1	9,860	30
	Central Michigan/Toledo	13						
	Georgia/Vanderbilt	45						
10-24	Nebraska/Missouri	137						
	Minnesota/Iowa	81	215	25.9	21,110	12.0	9,780	38

Date	Visitor/Home Team		Total Stations	Total Audience	Total Homes (000)	Average Audience (Rating)	AA Homes (000)	Share
10-31	Ohio State/Purdue	106						
	Dartmouth/Yale	16						
	N. Carolina State/S. Carolina	41	215	25.4	20,700	10.7	8,720	36
	Drake/Tulsa	15						
	Houston/Texas Christian	37						
10-31	Penn State/Miami (Fla.)		214	31.4	25,590	14.5	11,820	34
11-7	Clemson/North Carolina	67						
	Miami (Fla.)/Florida State	12						
	Miami (Ohio)/Central Michigan	13	216	23.9	19,480	10.9	8,880	36
	Nebraska/Oklahoma State	88						
	Utah/New Mexico	36						
11-7	Georgia/Florida		212	29.3	23,880	14.0	11,410	34
11-14	Alabama/Penn State	112						
	Iowa/Wisconsin	82	211	25.9	21,110	11.9	9,700	37
	North Carolina/Duke	17						
11-14	Arkansas/Texas A&M	121						
	California/Washington State	26						
	Southern Miss./Florida State	28	211	26.0	21,190	12.0	9,780	27
	Grambling/South Carolina State	4						
	Brigham Young/Hawaii	29						
	Tenn. St./Tenn.-Chattanooga	3						
11-21	Ohio State/Michigan	186						
	Southern Mississippi/Louisville	11	213	28.5	23,230	13.8	11,250	40
	West Virginia/Syracuse	10						
	Virginia Military/Virginia Tech	6						
11-21	ULCA/Southern California		213	33.1	26,980	15.5	12,630	33
11-27	Notre Dame/Miami (Fla.)		208	26.0	21,190	11.6	9,450	30
11-28	Penn State/Pittsburgh		215	27.9	22,740	14.8	12,060	42
11-28	Alabama/Auburn		211	33.6	27,380	17.3	14,100	38
12-5	Georgia/Georgia Tech		215	23.9	19,480	9.8	7,990	32
12-5	Army/Navy		215	29.0	23,640	13.8	11,250	32
SEASON AVERAGE			211	26.3	21,430	12.0	9,780	32

KEY FOR RATINGS TABLE

Total Audience: audience viewing all or any part of program in excess of five minutes, reported in two ways:

(a) In percent of U.S. TV households.

(b) In terms of the projected number of households reached.

Average Audience: number of TV households tuned to program during average minute, reported in two ways:

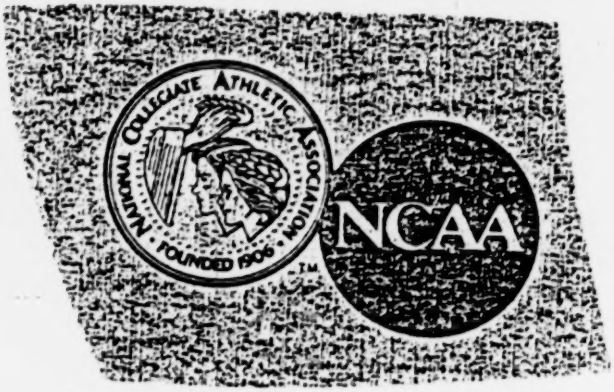
(a) In terms of total viewers.

(b) In terms of the projected number of households reached.

Share of Audience: audience during average minute of program, in percent of households using television at time program was telecast.

DEFENDANT'S EXHIBIT G

Football Television Briefing Book



NCAA Football Television Committee
1981

INTRODUCTION

NCAA Football Television

Managing the televising of college football games has been part of the NCAA's responsibility the past 30 years. The Association now is entering the final year (1981 football season) of its latest contract, a four-year pact with the American Broadcasting Company. That agreement provided for revenues in excess of $30 million per year, compared to the initial $1.1 million agreement with the National Broadcasting Company in 1952.

Considering the financial stakes involved, and the remarkable growth of the program, the NCAA Football Television Committee concluded that this review might be useful in providing an informational basis to be used by interested officials of member institutions in appraising the decisions of NCAA television committees.

The NCAA Television Committee does not intend to portray this booklet as a "neat little package" that answers all of today's television questions. We hope it will serve, however, as a manual to inform representatives of NCAA members of trends and developments in today's television world.

Sports television first occupied the attention of the NCAA at the Association's 1948 Convention. At that time, there were 16 television stations in operation in the United States. In 1947, there were 7,000 sets in use across the country. Today, there are 78,000,000 television homes; and advanced technology is providing the viewer with cable, pay cable, videodisc and recording options that were only theoretical concepts a relatively short time ago. Certainly, today's athletic administrator needs to remain abreast of the industry's developments.

Included in the following pages are a history of the NCAA Football Television Plan, including the financial development of that plan; a discussion of the state of the television industry today, particularly related to sports television; a description of the technological advances that are likely to follow, and an examination of television ratings over the past few years and the factors that affect those ratings.

We hope the information will assist you in evaluating NCAA policies and programs in this important area of college athletic management.

WILES HALLOCK, Chair
1981 NCAA Football Television
Committee

CHAPTER ONE

The NCAA and Television Controls

In 1952, the NCAA Television Committee initiated a plan for controlling the televising of college football games. The plans have remained remarkably similar as to their essential features over the past 30 years. They have had the following primary objectives and purposes:

1. To reduce, insofar as possible, the adverse effects of live television upon football game attendance and, in turn, upon the athletic and education programs dependent upon that football attendance;
2. To spread television among as many NCAA member colleges as possible; and
3. To provide football television to the public to the extent compatible with the other two objectives.

That first Television Plan encompassed 12 national telecasts during the 1952 season. The National Broadcasting Company (NBC) was the carrying network, and the rights fees paid to participating institutions totaled $1,144,000; 22 institutions appeared on the telecasts. After a year of operation, the Television Committee added an important fourth objective: "To strive for enduring principles appropriate for utilization in television plans for future years."

College football television had begun in 1938, when one of the University of Pennsylvania's games was beamed from Franklin Field to the Philco offices-laboratories, also in Philadelphia. As far as is known, there were six television sets in Philadelphia; and all were tuned to the game.

Ten years later, discussion of television began occupying a great deal of time at NCAA Conventions. The major issue was the adverse effect that televising could have on in-stadium attendance. Early television had little effect because signals could be beamed only to local areas, and there were few receiving sets.

There were only 7,000 sets in use nationwide in January 1947. By 1955, there were an estimated 30,000,000 sets. Currently, there are 78,000,000 television households (more than 98 percent of the nation's homes are equipped with one or more television sets).

The concern for in-stadium attendance became an area of major interest and concern to the Association during the late 1940s. Three studies were reviewed prior to establishment of the Television Plan in 1952, all examining the effects of television on attendance:

1. The 1949 Convention received a report from Crossley, Incorporated, of New York. The report measured only four Eastern cities and thus was not fully representative; however, it did indicate a relationship between nonattendance and interest in television. A portion of the study that specifically measured nonattendance noted that 21.8 percent of the television viewers questioned did not attend a game because they preferred to watch the event on television.

2. In 1952, a survey was conducted by Jerry N. Jordan of the University of Pennsylvania. His analysis indicated that college football had made "a remarkable record in attendance over the past four years" but that colleges in television areas had not fared as well during that period as those in nontelevision areas.

3. The National Opinion Research Center (NORC) was commissioned by the NCAA to conduct a nationwide survey concerning the impact of television upon attendance. A preliminary report to the 1951 Convention showed that during the 1949 and 1950 seasons, college football attendance had declined by 3.5 percent. Attendance for colleges in television areas had dropped six percent, while those outside television areas experienced a 2.5 percent increase.

The NORC's final report for 1952, released on April 8, 1953, verified that live telecasting of college football games again damaged the gate in 1952 and that this harm was reduced appreciably by the NCAA's exercise of control over telecasting. Of particular interest was the fact that in areas where there was no television competition in 1952, paid admissions were 10.5 percent better than in the pre-TV years 1947-48; but where television competition was present, attendance was down 16.2 percent.

That NORC report was the beginning of a continuing documentation of damage caused to in-stadium attendance by television of live events. The Television Committee at that time found some indications that attendance was higher on blackout Saturdays than when a game was televised but was "unable to find these differences consistently enough or to a large enough degree to prove the matter mathematically."

Several examples of apparent attendance damage were cited, including a Mid-American Conference game between Miami (Ohio) and Cincinnati, to decide the conference championship. Normal attendance for the game had been 30,000; in 1951, it was played the same date the Michigan/Ohio State game was telecast in the Cincinnati area, and attendance dropped to 16,000.

In addition, at the 1951 Convention, Reaves Peters of the Big Seven Conference (now Big Eight) reported that the University of Oklahoma had suffered a drop in ticket sales in Oklahoma City of 15,000 per year in 1949 and 1950 and attributed the decline to televising of its football games.

Efforts to document attendance damage since 1951 generally have followed the specific example approach. Major league baseball has been particularly active in this regard, including the following instance:

> The Pittsburgh Pirates finished one game out of first place in 1978 and became world champions in 1979; the Pirates

are a team that traditionally has attracted a large home gate. However, Pittsburgh was 21st in major league attendance in 1978 and 18th in 1979. Cable television penetration in Pittsburgh reached 33 percent by September 1, 1978, with WOR-TV (New York Mets), WTCG-TV, now WTBS (Atlanta Braves) and WPIX-TV (New York Yankees) bringing more than 300 professional baseball telecasts into the Pittsburgh area in a single season. Those stations did not reach Pittsburgh until the 1976 season; in 1975, the Pirates' attendance ranked ninth in the major leagues.

The NCAA documented apparent damage to in-stadium attendance in Columbus, Ohio, related to Warner Cable (Qube) telecasts of Ohio State football games during 1978 and 1979. A study of responses viewers gave during these cablecasts to the question, "Would you have attended another college football game if this game had not been televised?" indicated that 1,138 spectators per weekend in the Columbus area (of an average Qube viewing audience of 21,500) were lost to college football because of the Ohio State cablecasts.

The first NCAA Television Committee was composed of Ralph Furey, Columbia University; Willis O. Hunter, University of Southern California, and Thomas J. Hamilton, University of Pittsburgh. It was appointed in 1950 to study the problem of football television. The 1951 Convention approved a moratorium on televising college football games in 1951, increased the committee's membership to include one member from each NCAA district and directed the committee to develop a plan whereby the televising of college football games could be controlled.

That plan, submitted to the 46th annual Convention, January 10-12, 1952, established the machinery by which NCAA-controlled television could be implemented. The 1952 season marked the beginning of the program that still serves the interests of college football today.

The National Broadcasting Company (NBC) was the original carrying network of NCAA football, telecasting 12 national games in 1952 and a package in 1953 that involved 11 national games and eight regional presentations on two dates. In those two years and in the 1954 contract with the American Broadcasting Company (ABC), a team was permitted one appearance per year on the series.

In 1955, the Association's series moved back to NBC for the start of a five-year relationship. Also at this time the appearance limit was raised to two per year, the basic rule still in effect (five appearances in two years are permitted in special circumstances). The 1955 contract also saw the beginnings of a new kind of regional package. Limited regional televising had been included in the 1953 and 1954 seasons, but the 1955 arrangement expanded the regional presentations to five dates. In addition, the format basically permitted each region of the country to determine its own regional package for those dates rather than the system used today whereby the carrying network selects and produces the regional telecasts. One effect of this new regional philosophy was the televising of college football on more than one network in some parts of the country. The "independent" regional system remained in effect through 1959, varying from three to five Saturdays per year.

Beginning in 1960, the NCAA package began to take on more of the features included in today's telecasts. ABC was the carrying network, and the series included nine national and four regional exposures—all handled by ABC. For the first time, the rights for the series surpassed $3 million ($3,125,000); and Curt Gowdy replaced Lindsey Nelson as the primary voice of college football.

The character of the series changed again in 1964 when NBC began a two-year contract. At that time, the number of games within each regional exposure was increased to four, which resulted in a rise in the number of teams appearing on the series. Generally, about 35 different institutions had been

appearing each year; with the new arrangement, approximately 50 appeared each season. That number remained relatively constant through 1977, even though the number of national telecasts in the package climbed from eight to 13.

In 1966, ABC again took over as the carrying network, beginning a relationship that has extended through the current contract. Chris Schenkel, Bud Wilkinson and Bill Flemming were the primary announcers that first year; Keith Jackson took over as the voice of college football in 1975, with Wilkinson being supplanted by former and current college coaches the same year.

ABC's current contract started with the 1978 season and marked a new course. It was the first four-year pact; in addition, there was a 15 percent increase in the number of telecasts, from 20 to 23 (13 national, 10 regional), and the number of annual team appearances increased 41.5 percent.

The number of games within each regional presentation also was increased, with 45 games being required among the 10 regional exposures. That 4.5 ratio was the largest in the history of the series.

Corresponding with the growth in telecasts has been a greater growth in the financial aspect of the series. The initial NBC contract had a rights fee of $1,144,000, and through the 1950s the value of the package remained under or near $2 million.

In 1960, however, ABC provided an agreement worth $3,125,000 per year, a 42 percent increase from the 1959 NBC agreement. In 1962, CBS paid $5,100,000 for the rights, a gain of more than 63 percent.

The next three contracts saw increases to $6,522,000, $7,800,000 and $10,200,000. Thus, by the end of the decade, the value of the NCAA football contract stood 226 percent higher than in 1960.

The financial gains continued throughout the 1970s; however, the largest increase came with the current four-year agreement. ABC had paid $18 million per year for the 1976 and 1977 rights; with the new contact, the fee jumped to $29 million per year for the first two years and $31 million per year the second two years, due in no small part to the increased number of telecasts and the resultant increase in salable commercial time.

According to some industry analysts, the 1977 NCAA agreement with ABC made history in the sports world. Mike Trager, senior vice-president and media director at D'Arcy-MacManus and Masius in New York, said: "It (huge contract escalations) started out with the NCAA football franchise . . . ABC-TV reacted to that pressure (expressed interest of the NCAA committee in dividing the series between two networks) by probably paying at that point more than the franchise was worth. It was a huge escalation. . . and it set the tone for every other negotiation that occurred after that point."

Within the $31 million, a total of $750,000 was paid for the Division I-AA football championship television rights, $520,000 for the Division II football championship and $150,000 for television rights to the Division III football championship. In addition, institutions that appeared on the Divisions II and III regular-season telecasts collected $165,000; while the rights fees for five NCAA championships televised by ABC totaled $250,000.

Payments to institutions in Division I that appeared on the 1980 series totaled $26,831,800; i.e., $31 million less the above-cited rights payments and the assessments of 4.5 percent for general NCAA operations and 3.5 percent for the championships transportation guarantee fund. A rights fee of $600,000 was paid for each of the 12 national games telecast by ABC on the regular fall series, and $426,779 was paid for each of the 46 regional telecasts in 1980.

The first NCAA assessment on the Series rights fees in 1952 was 12 percent; after declining to seven percent in 1953, it

fluctuated between three and four percent over the next 13 years. The basic assessment on the series rights fees now is the traditional 4.5 percent. This assessment (which funds the NCAA postgraduate scholarship program, football promotion, television administration, sports development and general administration) has been in effect since 1967.

In 1978, the NCAA Executive Committee established a new 3.5 percent assessment. That money ($950,775 initially; $1,020,775 for 1980) was earmarked, along with other Association funds, for payment of transportation expenses for all student-athletes competing in NCAA championship meets and tournaments.

As illustrated in Table 1, Division I members received $27,842,185 from 1980 football television revenue, 89.8 percent of the total. Division II's share was $625,195 (2.0 percent), while Division III received $385,195 (1.3 percent) and the NCAA $2,147,425 (6.9 percent). (Note: Tables appear following conclusion of text in each chapter.)

The 3.5 percent assessment above for the travel expense guarantee fund resulted in $1,020,775 for 1980, and the allocation of that money among the three divisions reflects payments to the institutions of participants in various NCAA championships. The table also indicates the NCAA received $835,000 as its share of the net receipts from the Division I-AA, II and III football championships and five other events telecast by ABC (gymnastics, outdoor track and field, swimming, wrestling and volleyball). The fact that these eight events accumulatively have net receipts is a direct result of the travel expense guarantee program, which in 1979-80 cost $4,091,021. Of this amount, 25 percent was met by the 3.5 percent football television assessment and 75 percent by Division I basketball tournament receipts.

Due to revenue-sharing arrangements in most of the major conferences, income from the series is spread among a substan-

tial number of institutions. In 1980, for example, the $26,831,800 paid by ABC to the 81 teams appearing on the series actually was shared by 148 institutions.

As mentioned earlier, stadium attendance was one of the big concerns at the time controlled football television first was being considered. Several institutions had reported drops in attendance during the period of uncontrolled television.

In 1950, college football attendance stood at 19 million persons nationwide. That figure was down 3.51 percent from the previous year; and the attendance drop continued in 1951, the year NCAA members placed a moratorium on college football television.

Controlled television did not bring about an immediate reversal in this trend, with attendance declining to 17.3 million in 1952 (the first year of the plan) and finally to 16.7 million in 1953. Beginning in 1954, though, national attendance started to climb, first by 2.20 percent to 17 million. Since that first increase 27 years ago, college football attendance has more than doubled, to an all-time high of 35.5 million during the 1980 season (see Table 2).

Another of the NCAA Television Committee's original goals was to forestall the creation of a "TV aristocracy"; i.e., a few institutions monopolizing all of the major television opportunities. The current rules of the plan (1980 series) resulted in 81 member institutions sharing in the 116 possible appearances on the national series.

For the sake of discussion, assuming there are 79 teams categorized as being in that first tier of Division I-A, those members participated in 1980 at the rate of 1.15 appearances per institution. The remaining appearances were as follows:

> Second Tier, Division I-A—15 appearances, 60 institutions, 0.25 appearances per institution.

Division I-AA—10 appearances, 46 institutions, 0.22 appearances per institution.

During the first three years of the current ABC contract, the first-tier teams have averaged 88.67 appearances per year, while second-tier teams have averaged 17 appearances and Division I-AA 10.33 appearances per year.

During the 1972-1977 period, first-tier teams averaged 67.67 appearances per year (86.2 percent of the total), while the second tier annual average was 8.50 (10.8 percent) and Division I-AA 2.33 (3.0 percent). It should be noted that Division I-AA was not created until 1978, so the 1972-77 figure reflects appearances by institutions that later became members of Division I-AA.

Nonetheless, the increase in appearances for so-called first-tier teams between the two periods is 31 percent.

Current NCAA restrictions limit a team to five appearances over a two-year period, which serves to encourage the expanded distribution mentioned above. Distribution of the series appearances also affects distribution of revenue from the series. As mentioned earlier, most conferences have revenue-sharing policies so that even institutions that do not appear on series telecasts share in the proceeds from the NCAA series. The pool that is shared in those arrangements, though, comes exclusively from rights payments from ABC to institutions appearing on the series. Table 3 shows the distribution of revenue from the 1980 telecasts. The values of the national and regional appearances used in the table assume a 50-50 split between participating institutions in all cases. Since ABC pays the money directly to the home team, this division cannot be validated by the NCAA, since it is not privy to the relevant game contracts.

In addition to the revenue generated by the series, NCAA member institutions rely heavily on income from ticket sales for home football games. It already has been documented that

college football attendance is at an all-time high; with that increase in fans has come a corresponding gain in dollars generated from ticket sales, a primary objective of the current NCAA television controls.

Shown in Table 4 are projected increases in revenue from attendance patterns in each NCAA membership division over the past three years. Since there are no documented figures for average ticket prices, estimates were made for each division for use with attendance totals compiled by the NCAA. Just as the preponderance of television appearances and television revenue has accrued to the Division I-A members, those institutions have benefited most from the increased attendance, which perhaps is a result of the television controls. Indeed, of the projected revenue increase of $17,669,571 among NCAA members, $16,620,126 (94.06 percent) occurred in Division I-A. The table also indicates that the majority of the increase in attendance occurred in Division I-A.

Another continuing area of concern to the administrators of NCAA football television is the overall popularity of the telecasts. Although the audience measurements conducted by the television industry will be discussed in detail later, the general popularity of the NCAA series can be examined at this point.

Tables 5, 6 and 7 show the television industry's measurements of NCAA football popularity since 1968, when the current ratings system was introduced. Table 5 shows the changes during that time in NCAA football ratings ranging from a high of 14.1 in 1976 to a low of 11.4 in 1979. Twice, NCAA football has climbed to a rating of 14 or better, only to decline in subsequent years to a lesser rate of popularity.

In Table 6, the growth in households watching NCAA football is documented. Although the 1980 total of 8,930,000 fell considerably short of the 1976 peak of 10,040,000, it still was 20.68 percent higher than the 1968 level. The growth in

television homes despite fluctuating ratings reflects the increased number of homes in the country with television. As of January 1981, the total was approximately 78 million.

The NCAA's share of the television audience is shown in Table 7, with a range from 33 to 37 over the past 13 years. During the past two seasons, NCAA football has captured one-third of the audience on Saturday afternoons.

A later chapter will discuss factors influencing the ratings of NCAA football.

With the popularity of NCAA football again nearing the nine million mark in television viewers, with nationwide attendance now more than twice the level of the early 1950s and with ticket revenue increasing at most major colleges, the validity of the NCAA Television Plan would appear to be confirmed.

To test that opinion, the Association conducted a survey in January 1981 among its membership. The results indicated substantial satisfaction with the plan and its administration.

In particular, most institutions responding to the survey indicated they saw no need to alter the current national series appearance rule and believed the current plan to be satisfactory in providing the greatest possible exposure while protecting in-stadium attendance.

Following is a summary of some of the more significant responses to the survey:

1. As discussed earlier, the NCAA Television Plan attempts to maintain significant television exposure and income for as many NCAA member institutions as feasible, while protecting in-stadium attendance for all football-playing colleges to the greatest degree possible. Responses indicated that 75.3 percent believe the current plan strikes a good balance between those two elements; 72.8 percent of Division I respondents agreed.

2. The number of exposures and team appearances within those exposures also met with the approval of the membership, with 49.7 percent (52.1 percent in Division I) supporting the current totals. Approximately 14 percent favored an increase in team appearance opportunities within the current 23 exposures.

3. The current team appearance limitations were favored by 56.3 percent of the respondents, including 58.6 percent in Division I. Further limits on a given team's appearances were suggested by 14.4 percent, while only 6.9 percent favored relaxing the appearance rules.

4. Answers to whether the NCAA should keep the series on a single network or pursue a two-network approach were mixed, with 21.4 percent opting for two networks and 23.5 percent favoring the current system. In addition, 38.5 percent (40 percent in Division I) indicated the subject was too complex for a precise answer—without considerable research and investigation. Those institutions believed the Football Television Committee must make the decision after receiving presentations from each network and other interested communications companies.

5. Nearly all institutions responding (88.2 percent overall, 90.1 percent in Division I) agreed that the current four-year agreement has worked as well as earlier two-year plans; however, 69.2 percent (64.4 in Division I) suggested the committee proceed for only two years in order to retain a flexible position.

6. Rules regarding exception telecasts were discussed in the survey, with the majority of institutions indicating opposition to relaxation of exception telecast regulations. Concerns included letting institutions in major markets utilize pay television in a manner that would place them at an advantage in relation to other mem-

ber colleges and the appreciable damage that could be caused to attendance at games in areas where conflicting games were telecast.

7. Responses were divided concerning the appropriate number of national and regional telecasts in the NCAA series. Most institutions favored increasing the number of regional telecasts; a significant number of institutions suggested a format with 10 national/13 regional as opposed to the current 13 national/10 regional.

8. Guaranteed appearances for Division I-AA should be continued, according to 55.7 percent of the respondents (60 percent in Division I). The number of appearances would be based on the size of the membership division.

DEFENDANT'S EXHIBIT B-1

ROUND TABLE MEETINGS

LARGE COLLEGE AND UNIVERSITY GROUP

Thursday Afternoon, January 11, 1951

The N.C.A.A. Round Table Meeting of the Forty-fifth Annual Convention of the National Collegiate Athletic Association convened at two twenty-five o'clock in the Grand Ballroom, Hotel Adolphus, Dallas, Texas.

CHAIRMAN K. L. WILSON: Gentlemen, I don't suppose that we have had any item for years that has occupied as much of our time and attention and had as much been written about as the subject of television.

There are a lot of things I would like to say, but inasmuch as we have a very competent number of speakers who are going to take up the subject we will go right into the subject without further ado.

This is the annual N.C.A.A. Round Table Session, and our meeting today will be devoted to the subject of television and its effect on sports attendance, particularly college football. This promises to be a lengthy session, so I will dispense with any opening remarks except to call your attention to the action taken by the N.C.A.A. at its last convention in New York.

The following motion was adopted:

"We recommend the immediate appointment of an active and representative television committee of the National Collegiate Athletic Association with instructions that that committee make a thorough investigation of all material now available and report to the Executive Committee of the National Collegiate Athletic Association at the regular June meeting. Furthermore, if the study of the television committee indicates that action of any type should be necessary, that steps be instituted to provide for amendments to the Constitution of the National

Collegiate Athletic Association in order that television be properly controlled.

"Pending any possible action at the 1951 convention, we urge that the National Collegiate Athletic Association recommend to its members that no television commitments be made beyond the 1950-'51 college year."

* * *

CHAIRMAN WILSON: We are now ready to hear the report of the Television Committee. It is a pleasure again to reintroduce Tom Hamilton who spent so much time and work on this report.

MR. HAMILTON: I would like to read at this time a report that your committee, Ralph Furey, Bill Hunter and I, have prepared.

In making this report to you the Television Committee fully realizes that we are dealing with one of the major scientific developments in modern life, and we present our information and views to you with a very real sense of humility and a realization of the inadequacy of mere individuals attempting to interpret and understand the whole scope of a communication revolution. Many of us have witnessed the great changes in American life from the introduction of the automobile, the changes of habit that have come with the introduction of the telephone, and then the radio. We have seen the change from silent pictures to sound, from black and white to color, and realize that this is an ever-changing and progressive world. We have witnessed the absorption of these technological advances into the full pattern of our daily and economic life.

When it is recognized that television may very well prove to be one of the biggest technical and economic changes to appear on the horizon of this generation—plus the fact that television may also turn out to be the greatest motivating force for social and cultural change for possibly several gener-

ations—it should indicate the need for most careful thinking and action by people caught in television's path.

Today we all meet here more or less like a Board of Trustees to study and evaluate the effect of a new scientific development on our work and responsibilities. Individually and collectively we direct the destinies and control the fate of athletics and physical training of our young men and women in an early formative period of their lives. These activities will go forward for greater benefit or retreat in accordance with our collective wisdom and energy. Therefore, we sincerely recommend that you devote serious thought and study to the subject of television, for whether or not it has affected you as yet, it is a certainty that it will.

Television first made its appearance about ten years ago and a sports program of the University of Pennsylvania football games was produced in 1940 with only 700 television sets in Philadelphia. Since 1946 there has occurred a most phenomenal growth of this infant industry. This table shows some of the picture of this growth.

Date	Sets	Date	Sets
Jan. 1 1947 —	7,000	Jan. 1 1950 —	3,950,000
Jan. 1 1948 —	190,000	Jan. 1 1951 —	10,500,000
Jan. 1 1949 —	1,000,000	Jan. 1 1955 —	30,000,000

As of January 1, 1951, with an estimated 9,200,000 television sets, there are 107 stations servicing 63 markets. By the same date 1952, baring war curtailment, there will be about 14,000,000 sets. By 1955 it is believed there will be some 30,000,000 sets in use and a possible 1200 stations. When we consider that there are now some 81,000,000 radio sets produced, and with the advance of television, we must recognize that we are dealing with a terrific force like a powerful wind of gale velocity. We are already feeling the first breezes of this hurricane, and knowing the devouring strength of the vortex of this cyclonic power, it behooves us to plot our course to the safe semi-circle of this storm, and like the great clipper ships of

sailing days, use the helping winds to ride more swiftly toward our own goals.

This committee has concerned itself primarily with the effect of television on college football and most of this report will pertain to that field. However, the subject is so large and is influencing other activities so much that we would be foolish not to observe what is happening in other areas.

Take the movie industry. Surveys conducted in New York show that television owners went to the movies 20 to 30 per cent less often and tabulations of amusement tax receipts from Chicago theaters in 1949 show a decline every month in theater business. For the last six months in 1949, the average decrease was 12.13 per cent. Then in the month of January, 1950, the drop was 23.40 per cent. In Columbus with 71,000 sets in use, taxes from movies showed a decrease for 1950 of 20.25 per cent. Harrisburg, which has practically no television, showed for five months an increase of 6.31 per cent. Out of some 19,000 movie houses in the United States, 680 closed their doors between January 1, 1950, and July 1, 1950. At the same time in Canada, which has practically no television, attendance at movies increased, and 562 new theaters opened their doors.

We have received statements that most other sports have felt the adverse effect of television on their attendance with one or two exceptions like the "Roller Derby." Professional boxing, in particular, has been hurt. It was reported that 25,000,000 people saw the Louis-Charles heavyweight title fight on television, although the ring attendance was only 22,000. The gate was $205,370, compared to a $262,000 gate for a featherweight title fight that was not televised.

Jerry Jordan has presented an excellent report on major and minor league attendance in baseball. He enumerates five major factors affecting baseball attendance in 1950, which caused the majors to drop off 13.7 per cent and the minors 19 per cent, which represents a loss of 8,000,000 customers. Three minor leagues and thirteen teams have folded. The minor

leagues are seriously concerned over the effect of major leagues' radio and television competition which caused their revenue to be curtailed. The franchise of Newark has been shifted to Ottawa, Canada, like the Jersey City team which moved to Springfield, Massachusetts, on account of the radio and television competition with Yankee, Giant and Dodger aircasts. Pacific Coast, International League and American Association attendance in 1950 all decreased by more than 500,000 each. There is a strong feeling that when co-axial cables make the telecasting of major league games available in any community, it will be impossible for the minor leagues to continue at all unless some effective method of controlling the major league telecasts is permitted.

Final professional football statistics are not available to us at this time, but as of November 2nd, with forty-two games played in 1950 versus forty-one in 1949, the total attendance for 1950 had dropped by 85,530 fans, with six teams ahead in attendance and seven below 1949 figures. Probably the most interesting situation was given by the Los Angeles Rams. In 1949 the Rams and the Bears drew 86,080 fans at Los Angeles not televised, and in 1950 when they televised, only 18,219 showed up. Yet in a play-off game at the end of the season without television, the same two teams drew 83,501.

The Los Angeles Rams were the only professional team that televised in their own local area.

However, in all the foregoing cases, we have been discussing the influence of television on professional or commercial activities. The aim of these organizations is to make money, and all the management and players can be expected to assume some competitive risk in the business world.

Our problem is different. True, we are interested in dollars, but it is only because they are the only medium by which we can pay for the conducting of athletic and physical training programs so essential in the education of our youth.

Schools have been criticized for being so commerical in their attitudes, but it is a reflex action due to the burden of carrying the budget for the physical side of our kids' training. A great part of our college athletic economics depends on the football attendance and a good many people have lost sight of the fact that in purchasing tickets, they are providing substantial support to the running of all the other sports and athletic facilities at most of our institutions. On the first N.C.A.A. questionnaire we asked the question of what proportion of the athletic budget did football receipts contribute. Not many of the schools answered, but of the ones that did, the per cent ran from around 11 per cent to 158 per cent and the average was about 72 per cent. Where the per cent ran over 100 per cent, it is assumed that football receipts exceeded the budget and were used for other collegiate purposes or placed in reserve for the building of additional athletic facilities.

It is no news to anyone of us that all the schools of this country are faced with a serious financial problem to operate under the rising costs of the present day. If the athletic budget is not balanced, either the program must be cut back or the money be obtained by greater taxes from the people. Maybe the latter is the way our program should be sponsored, but right now football revenue represents a very large pillar in our economic structure, and to have this pillar knocked down or weakened will bring the same sort of chaos and destruction to our physical training as suddenly removing the Federal Reserve Bank from our national economy. No, we are not just interested in the dollars that come in from football, we are morally bound to protect the great and essential role that athletics and physical training must continue to play in bringing up our kids right in this country of ours.

Jerry Jordan, who spoke at this meeting last year, has made a very thorough and interesting study of the effect of television on attendance and we all are very much in his debt for unearthing a vast amount of material and pointing the way

for research on the subject. He has built a case around an hypothesis that attendance only suffers during the novelty period of ownership of a television set, and when this wears off, attendance will be increased. This idea has been pushed and distributed by the Radio and Television Manufacturers Association, and we all will be very happy if this theory turns out to be true.

Other surveys and countless opinions have been rendered on the subject, so that it became quite clear to your committee that it was necessary to investigate and study the problem from a scientific viewpoint, and determine the real facts in the case as soon as practicable. Therefore, with the approval of the N.C.A.A. Executive Committee, we met with the representatives of the four television networks and worked out with them a plan to co-sponsor a survey to be conducted by an impartial professional survey company. The National Opinion Research Center affiliated with the University of Chicago was selected after considering the proposals of several outstanding firms. They studied previous surveys and reports and submitted a preliminary study last summer which was mailed to you, and undoubtedly you are all familiar with it. All N.C.A.A. members were requested to send in their attendance data for 1947, 1948, 1949 and after the season the record of 1950 was requested. A full evaluation cannot be given at this time, but has been promised in March or April. Nevertheless, enough information has been assembled and evaluated to indicate some definite trends, which present the basis for our recommendation.

The information now assembled was distributed to members entering this meeting and has already been covered by Mr. Sheatsley of N.O.R.C.

In addition we have taken some steps to investigate what television is doing to high school football and find a great deal of concern and some reports of damage, but the information is too fragmentary to be conclusive.

Your committee feels that television does have an adverse effect on college football attendance and unless brought under some control threatens to seriously harm the nation's overall athletic and physical system. True, a few schools may profit and grow into greater powers, but the rank and file schools will be reduced and the wide-spread play of football and other sports will be greatly diminished due to decreased budgets. I ask you why this should happen. But I feel that it will happen if we continue to have a few schools telecast and the remainder scramble around for the crumbs that are left. Under the present system of advertisers sponsoring TV games, it is not possible for television to pay the cost of making up to the schools for the necessary money to maintain their programs. They will say "Why should we? We can always buy six or seven schools' TV rights, and that is all we need to make money for us and those six or seven schools." Maybe they can, but if it does happen, we as trustees of a great business of providing essential training for our kids will be derelict in our duties if we allow the hundred million or more of college football receipts to be irreparably reduced, and the great investment of our colleges and high schools in athletic facilities to be jeopardized and not be used fully toward their purpose of building health and virility in this great land.

What should be our course of action? Certainly as representatives of great institutions of learning, we should not be opposed to technological progress, and the increase of enjoyment to the people of this country. We have no quarrel with television, but at the same time, we cannot sit idly by and watch a cornerstone of education eliminated by unwise action. Our dealings with the television officials indicate that they are fine citizens who have no desire to hurt our school system, but are confronted with so many problems in their fast growing and costly industry that they naturally choose the easiest and most profitable course.

Yet we believe that the leaders of the TV industry with their tremendous financial and manufacturing interests have not fully assessed their position, and when they realize that they, like us, have a national responsibility in preserving essential elements of training for our youth, that they will work hand in hand with us to avoid any damage to college football.

In the growth of television so far, many colleges have first allowed their sporting events to be televised free in order to help TV get started. Later the colleges have received small receipts for these events, which in most cases have not been sufficient to offset losses at the gate. Now, the infant television has grown to man size and is at present offering such serious competition to attendance that both the colleges and TV leaders must seek and find a way to preserve football across the country.

Now perhaps the experimentation should be at television's expense rather than at the expense of the athletic programs for our kids. Certainly both sides should push for a satisfactory solution which can benefit all concerned.

There is a reasonable question that the large costs of television production may make it unlikely that the present system of advertising sponsorship will be able to pay for quality programs on television. The television networks lost $24,000,000 in 1949, according to F.C.C. reports, and the costs of establishing a national system of television are staggering, so there is doubt whether the present four billion dollar national advertising budgets can expand to pay these costs.

There are two experimental systems being tested to allow television sets equipped with a decoder to permit a "pay-as-you-see" plan, to pay for quality programs. One is called Phonevision, being currently tested in Chicago. It requires a subscriber to call the telephone company if he desires to see a special program, and part of the television signal is channeled through the telephone wire to unscramble a blurred picture

otherwise seen on the television screen. They are planning to charge $1.00 for each first run movie so seen in Chicago. They plan now to divide this dollar—50 cents for the producer, 25 cents for the television company, and 25 cents for the Bell Telephone Company.

The Skiatron system consists of equipping the television set with a decoding box into which a plastic coded card will fit and will allow the unscrambling of the picture. A new card can be bought at various agencies for a certain interval of time or specific event.

These two methods provide a means by which the viewer can pay for the program seen.

We feel that the colleges should give every encouragement and co-operation to the television industry to develop some such means of paying for the events. It is our belief that the American public will be willing to pay to see their television sporting events especially when they realize that the money goes to support and augment the athletic and physical programs so essential for their sons and daughters. We believe that this income will supplement the actual gate receipts, and may prove beneficial in helping to build better athletic facilities where needed.

A major adjustment would be necessary to administer such a system. It is visualized that the N.C.A.A. and local programming boards would have to work with the television networks and stations. Also a local distribution would be necessary, which might work something like this: Say Notre Dame and Purdue were selected by the N.C.A.A. and Television Planning Board as one of the national games to be live telecast. If the Pittsburgh station telecast it, and a $1.00 Phonevision charge was made on the program and say 100,000 of the 180,000 sets were tuned in, 50 cents would go to the television and phone companies. The 50 cents for the producers could be divided like this:

20%	to the two selected teams or	$ 5,000	for Notre Dame
		$ 5,000	for Purdue
80%	to be distributed to the 17 colleges in the 50 mile area around Pittsburgh.	$40,000	
		$50,000	per game

Of course, if the Notre-Dame-Purdue game were televised in many areas, they will receive ½ cents per set viewing which should insure ample revenue for the chosen contestants. For the local areas, a board of representatives of type schools represented could decide what loss each school had suffered from normal attendance, the enrollment, and the need of the school for athletic facilities.

These formulae are only suggested and would have to be adjusted to give as equitable a solution as possible. The whole idea may sound like a crack-pot arrangement, but the problems of how to divide up some revenue are certainly more soluable than trying to run needed athletic programs without money in the till.

It must be realized that these are two experimental systems which have definite possibilities for the future, but at the present do not offer us any more than a ray of hope.

Another method of televising games which has definite promise is the theatre television. As explained in previous reports, this method was employed experimentally this past fall in Detroit and Chicago by the Paramount Theatres and Big Ten schools. By this means simultaneous TV shows are run through the theatre box office and opportunity given to many potential fans to witness the game at a reduced price. These markets may be rigidly controlled to prevent damage to football attendance revenue and possibly some formula may be established for this means to assist in furthering the schools' athletic systems.

Another mehtod which has had wide use has been the post-game telecasting of films of Saturday's games throughout the following days of the week. Most colleges reported that these showings were well received, stimulated good interest, and aroused some desire in viewers to witness the real games. These programs offer just as good an opportunity to portray the many-sided features of collegiate institutions and create public good will for the school as on the live telecast. Notre Dame has reported a fine reaction to these interesting parts of their programs. The Big Ten employed a post-game plan this fall, and their experience indicates that there was little adverse effect with attendance, and they realized other collateral values. Some revenue can be received, and it can be controlled so that it will not conflict with small college and high school games on Friday night.

It has been the aim of this committee to attempt to collect and present factual information to the N.C.A.A. We acknowledge with thanks the splendid cooperation of the TV industry, and the N.O.R.C., and many other assists from numerous people.

Your committee is perfectly aware of the importance which television has assumed in the American way of life, changing in a short period, the entertainment habits of a large segment of our population. The industry representatives are well aware of this impact, and frankly admit that they have no final answer.

Our study of the past year indicates to us that the live telecasting of college football games has an adverse effect on gate receipts. We believe that the adverse effect is proportionate to the degree of saturation of TV in an area with present methods of telecasting.

The industry representatives with whom we have consulted through the past year have assured us that they have no desire to harm the present structure of intercollegiate athletics. Therefore, we suggest that the N.C.A.A. in cooperation with the

industry set up a program of experimentation during the 1951-'52 academic year, which would include such methods of telecasting as delayed TV, the use of highlights and special features, Phonevision, Skiatron, theatre television, and any other new methods which might be developed before the next football season. During this period of experimentation, we recommend that the colleges declare a moratorium on the live telecasting of college football games.

As part of this experimentation study, we visualize that a certain amount of live telecasting may be conducted on a strict control basis to test desired situations. To administer the experimental work, it is recommended that a steering committee with a representative from each of the eight N.C.A.A. Districts be appointed to work out the problem in cooperation with the industry.

In our opinion if such a program was properly developed and promoted, it would result in mutual benefits for the industry and for the colleges and the public.

We wish to emphasize that the television problem is truly a national one and requires collective action by the colleges. The history on TV has been that concern has only been expressed where some effect has been felt. By next year practically every section will have television so all of us will be involved. Sectional lines cannot be drawn for the co-axial cable will cover the whole country soon. Our decision in solving this problem should be to determine what is good and right for athletics in our schools, and then stand collectively and exert all our efforts to bring about the proper result. We may be likened to the small free nations of the world. By standing together we can fight our cause; separated we will be gobbled up one by one.

We firmly believe that our school athletic programs have contributed a great deal to the qualities that have made this country great. Today as never before, we see the striking need of superb physical fitness in everyone of our young men as they

shoulder the burden of a nation's fighting responsibilities. This is no time for us here to drop our flag and cease fighting for more and better athletic and physical training, or permit the lessening of one bit of our essential program to produce physical fitness in our kids. Rather let the dollars of television and many another less essential activity contribute to assist in the mustering of our best efforts to produce the strongest, fightingest, Americans we have had.

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13. *Report of Television Committee.*

TOM J. HAMILTON (University of Pittsburgh): We had quite a meeting yesterday, where there was a very lively discussion, detailed presentation of information from across the country and from representatives of the television industry, and at which time our committee made up of Ralph Furey, Bill Hunter and myself made a lengthy report.

I do not wish to burden you with the full extent of our remarks of yesterday, but with your permission, I will try to summarize the facts that we found, outline the action we have taken through the past year and give you a resolution which we were directed by the Panel session yesterday to present to this body today.

As you know, our committee was appointed last year after the N.C.A.A. convention, and we were given the job of trying to collect and evaluate facts concerning television and its impact on sports, especially football attendance, and to make recommendations to this body for its action.

First, we attacked the problem and were appalled at the size of it. Certainly television is a most interesting and stimulating subject, and we feel is one of the major scientific developments of our generation and may be a larger motivating force for social and cultural change than possibly the printing press.

We feel some humility in attacking such a vast problem, but in examining the information available, we found that the surveys that we read seemed to be biased or partisan, that the facts presented were mostly opinions and not based on true figures, so we recommended to the Executive Committee of the N.C.A.A. that a survey be conducted by an impartial professional survey company to be co-sponsored by the N.C.A.A. with the television networks, who are equally interested in the problem and who indicated at the time their willingness to cooperate with us.

The survey was authorized. Many of you contributed to its financing. The expense was borne equally by the TV networks and the N.C.A.A. and the National Opinion Research Center was authorized to go ahead.

A preliminary survey was done by that corporation and results sent out this past summer. It was a voluminous report, but in substance it more or less proved the point that there was no real information for decisions in the field of television, and that previous surveys were of no value or limited value.

You were all asked to present your attendance figures for the seasons '47, '48, '49 and '50, which were sent in to the N.O.R.C. and they have made a hurried study of these figures in order to give us some information at this meeting.

The survey is not complete and will not be finished until March or April. There are many factors which must be studied, the effects of weather, performance and many conditions, and we hope that they will give us some excellent information and some trends for the future.

To this meeting they brought some tables of the information they had assembled and that was presented yesterday at the panel meeting by Mr. Sheatsley. I will go over the substance of it roughly.

They established a base for attendance on the 1947-'48 average. The 1949 was the all-time peak in football attendance so that was not used in the base.

Then they took the results of '49 and '50 and compared them with the base figures and did it by districts so that their findings were that for all the colleges in 1950. In all of the colleges the attendance was down in TV areas 4.2 per cent from the base figure or 6 per cent from the 1949, and the colleges outside of TV areas in 1950 were up 9.3 per cent from the base figure or an increase of 2.5 per cent from 1949.

These figures are available on the piano back of the press tables for those who did not get copies yesterday.

There is another table of attendance in relation to team performance which gives a very interesting highlight. In TV areas the decline in relation to performance is much more remarked than outside of TV areas.

Table three, attendance in relation to the number of TV sets in an area. We find that from the 1947-'48 average, the saturation of TV sets in those areas with 50 to 59 per cent saturation, decline 18.3 per cent from the base figures; 40 to 49 per cent saturation, a decline of 4.2 per cent, and where we have only one in 20 per cent saturation, there is an over-all increase of 11.1 per cent in attendance.

To sum up, in areas with 30 per cent or more families owning television sets, the decline from the base years was 10 per cent and all other areas showed a plus 10 per cent. These figures, we feel, will have definite value, and we have drawn some conclusions from them.

We made a point that we feel that the economic structure of college athletics and physical training programs depend a greal deal on football receipts. The information is not completely accurate, but an average of 71 or 72 per cent of the normal athletic budget of most colleges reporting came from football receipts.

We feel that with the drop of attendance all of us are faced with a decline in revenue. There are only two alternatives to that—curtailment of program or an increase in taxes to raise revenue to finance athletics.

We brought out that other entertainment industries such as the movies, baseball, major and minor league attendance have been affected by television. The relationship is not too clear to us, but we felt it was significant.

Next, we felt that this is a collective problem. As television has swept from one area into another, and with the networks extending throughout all areas and able to carry games from one section to another, we feel that the problem is truly national and needs collective action.

With that in mind, after hearing some very good discussion from the industry representatives who were kind enough to come to Dallas to make these presentations and who I might add have shown the greatest of cooperation and amicable understanding with us in attacking this problem, the meeting yesterday authorized a resolution to be presented to this body, and I would like to present it to you now:

"Whereas, there is positive evidence that live television broadcasts have an adverse effect on attendance at college football games, and

"Whereas, the future growth and further expansion of the television industry indicate that this adverse effect on attendance will become increasingly great, and

"Whereas, television has spread across sectional lines and involves colleges in all parts of the country necessitating collective action and agreement, and

"Whereas, loss of football gate receipts from drop in attendance threatens the economic structure of college athletics and the necessary support for essential physical training programs;

"It is resolved that the members of the N.C.A.A. agree to declare a moratorium on live telecasting of college football games for 1951, and

"It is further resolved that members will cooperate with the N.C.A.A. and the television industry to experiment with all types of television broadcasting to include such methods as delayed showing of films, use of highlights and special features, Phonevision, Skiatron, theatre television, special controlled live telecasts, and any other methods which may be developed.

"It is further recommended that a committee consisting of one member from each N.C.A.A. District be appointed by the Executive Committee to work on and direct this project of the N.C.A.A."

I move that this resolution be adopted. (The motion was duly seconded.)

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PRESIDENT WILLETT: Is there further discussion?

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The motion is carried and for the record the vote is 161 in favor of the motion, seven opposed.

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DEFENDANT'S EXHIBIT B-2

* * *

MR. RALPH FUREY: A year ago, in Dallas, on the basis of a report jointly sponsored, jointly paid for, by the N.C.A.A. and the four major networks N.C.A.A. took certain action in regard to television. As a result of that action a TV Committee, the N.C.A.A. — TV Committee, was appointed. As we were directed, we have diligently studied the problem from all possible sources, all available types of information and on the basis of this study of this past year, on the basis of so-called experimental' program of this past year, on the basis of the preliminary findings as supplied by the N.O.R.C. and which were available to the TV Committee before the final draft of this report, we do have and do submit at this meeting to the membership the results of our one year study.

I.

HISTORY OF THE N.C.A.A. TELEVISION PLAN

The concern of the colleges of the country with the effects of television upon football attendance and thus upon the future of intercollegiate and intramural athletic and physical training programs became more and more evident as television sets began to saturate important collegiate areas. More than two years ago, various Conferences publicly expressed their deep concern at the serious impact of live telecasting on attendance at college football games. One important Conference, the Big Ten, went so far as to ban live television during the 1950 season and other Conferences have followed suit. It was soon realized, however, that this new medium presented problems that could not be solved by sectional groups. Of what avail the banning or limiting of television by a single conference if major teams were competing at the Stadium? And so, the problem of televising college football games confronted our National body.

The N.C.A.A. accepted the responsibility for meeting this new threat to intercollegiate and intramural athletic and physical training programs. The N.C.A.A. early in 1950, appointed a three man television committee, consisting of Thomas J. Hamilton of Pittsburgh, Willis O. Hunter of Southern California, and Ralph Furey of Columbia, with instructions to make a thorough investigation and to report its findings to the membership at the Dallas Convention in January, 1951.

The Committee was struck at once with the prevalence of opinion on the subject and the absence of factual information. Accordingly, the Committee met with Joseph McConnell, President of the National Broadcasting Company, representing the four major networks, and arrangements were made for a joint N.C.A.A.-network study of the impact of television on attendance at college football games. It was agreed by the representatives of the networks and the N.C.A.A. Committee that a statistical study should be made covering the 1947-1950 football seasons; the services of the National Opinion Research Center were retained for the purpose of making this study. The preliminary report of the National Opinion Research Center was made available to the Dallas Convention and demonstrated the devastating effect of uncontrolled live television upon attendance at college football games. The Committee recommended drastic action to save the athletic and physical training programs of the two million young college students, programs vital to the defense of the Nation.

Action at the Dallas Convention

The Dallas Convention backed the report of the Hamilton-Hunter-Furey Committee and, by a vote of 161 to 7, adopted the following resolution:

> "It is resolved that the members of the N.C.A.A. agree to declare a moratorium on live telecasting of college football games for 1951, and

"It is further resolved that members will cooperate with the N.C.A.A. and the television industry to experiment with all types of television broadcasting to include such methods as delayed showing of films, use of highlights and special features, Phonevision, Skiatron, theatre television, special controlled live telecasts, and any other methods which may be developed.

"It is further recommended that a committee consisting of one member of each N.C.A.A. District be appointed by the Executive Committee to work on and direct this project of the N.C.A.A."

A nine-man Committee was appointed to implement the experimental program contained in this resolution. The members of the Committee follow:

District 1: Robert A. Hall of Yale.
District 2: Ralph Furey of Columbia.
District 3: Max Farrington of George Washington.
District 4: Edward Krause of Notre Dame.
District 5: Reaves E. Peters of Missouri Valley I.A.A.
District 6: Howard Grubbs of Southwest Athletic Conference.
District 7: E. L. Romney of Mountain States Athletic Conference.
District 8: Willis O. Hunter of Southern California.
Captain T. J. Hamilton of Pittsburgh, Chairman

In view of the difficulty of the N.C.A.A. Television Committee meeting regularly, the Eastern members (Hamilton, Hall, Furey and Farrington) were appointed a Steering Committee to act between meetings of the full Committee. Subsequently, when Chairman Hamilton's coaching duties at Pittsburgh demanded his full time, Ralph Furey became Co-Chairman of the full Committee and the Steering Committee along with Hamilton.

The Development of the N.C.A.A. Plan

The Committee was immediately faced with two major problems in its efforts properly to implement the Dallas resolution. The first was the necessity for spelling out a workable program for the 1951 season and the second was to find a sponsor for the program once adopted.

The first and most immediate task, of course, was the development of a workable and concrete plan for the 1951 season. The full Committee and the Steering Committee met frequently during the months following the Dallas Convention. In its efforts to find the best solution, the Committee consulted with all interested parties and with recognized experts in the field. Finally, on April 18, 1951, the full Committee, meeting in Washington, adopted by unanimous vote a detailed N.C.A.A. Television Plan for 1951.

The broad outlines of the Plan were:

1. One game a week would generally be broadcast on Saturday afternoons in each area during the regular season from September 22 to November 24.
2. On 3 of the 10 Saturdays during the regular season there would be a blackout in each area.
3. A team could only be telecast twice—once at home and once away.
4. There would be no restrictions whatever except on Saturday afternoons during the regular season.
5. The games to be telecast would be chosen by the sponsor, subject to the requirements that different types of games (Local games, sectional games, national games, etc.) be offered on different Saturdays.
6. A systematic study of the effects of this program on attendance at college football games would be made by the National Opinion Research Center.

7. The proceeds from the sale of television rights would be divided as follows: 40% to the contestant colleges and 60% to the N.C.A.A. for research and to promote the athletic interest of colleges throughout the nation.

8. Maximum encouragement would be given to theatre television, color television, Phonevision, Skiatron, post-game films and any other new methods under development.

As already stated, the Committee acted unanimously in adopting its plan and collegiate support was almost equally unanimous. Indeed, such opposition as there was to the plan came primarily from colleges taking the view that the program provided too great a measure of live television which would be detrimental to attendance.

Only two institutions—Pennsylvania and Notre Dame—raised any question in the other direction. Notre Dame took the position that the 60-40 division of television revenues was not authorized by the Constitution of the N.C.A.A. and also urged that the individual colleges be permitted to make their own arrangements for telecasting within the approved program. There was also some feeling among other institutions that the 60-40 division of revenues ought not be undertaken without additional authority from the National body. Consequently, at the meeting of the full TV Committee on July 6th, this part of the plan was amended to provide that the expenses of the N.C.A.A. television program be met by an assessment on the colleges whose games were being televised rather than by a 60-40 division of the proceeds. In addition, the plan was modified to provide that the chosen sponsor would negotiate all contracts directly with the institutions whose games were to be televised. With these changes, Notre Dame loyally supported the Committee plan.

The only institution which challenged the plan directly was Pennsylvania. On June 6th, Pennsylvania announced that it

would not abide by the N.C.A.A. Television Plan, but on the contrary, would telecast all its home games. The Council of the N.C.A.A. promptly declared Pennsylvania a member in bad standing. Immediately thereafter, four institutions scheduled to play Pennsylvania at Philadelphia, namely, Cornell, Columbia, Dartmouth and Princeton, notified Pennsylvania that they were not willing to compete against a member in bad standing and refused to sign football contracts for the 1951 season. Pennsylvania appealed to the Department of Justice for assistance, but, receiving none, reconsidered its decision and decided to abide by the Dallas resolution.

The Committee cannot leave this part of its report without expressing its gratitude to the N.C.A.A. membership as a whole for its loyal support of the Dallas resolution and of the Committee plan implementing that resolution and without expressing its particular gratitude to the four institutions that risked serious financial losses rather than compete against an institution in bad standing which was threatening the welfare of 300 colleges. This rallying-round behind the N.C.A.A. Television Plan for 1951 heralds, we believe, a new era in cooperation among the colleges of the country in the interest of intercollegiate athletics.

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II.

OPERATION OF THE N.C.A.A. TELEVISION PLAN FOR 1951

Introduction

The operation of the N.C.A.A. experimental television program for 1951 was an outstanding success. Millions of people saw fine college football games on their television sets week after week. A great number of colleges had the advantage of participating in the fine public relations program which

the Westinghouse Electric Corporation provided as part of its telecasts. At the same time, a thorough study of the effects of television upon attendance at college football games was made possible and, finally, the adverse effect of television upon college football was substantially reduced.

The success of the program has already been attested by the colleges themselves. On December 6th, the Executive Director of the N.C.A.A. addressed a questionnaire to all the allied Conferences of th N.C.A.A. on the televising of college football games. Ten major Conferences, representing over 100 institutions, met during December. All but three of these more than 100 institutions stated that they believed live television of college football games should be controlled in 1952. While the predominant view favored approximately the same degree of control as during the 1951 season, there was far more sentiment for more limited television than for a more extended program.

Broad Scope of the Program

The experimental TV program consisted of 20 games featuring 30 college teams over the NBC network of 52 TV stations in markets representing an aggregate population of 87 million people. Although Westinghouse chose NBC as its telecasting network, the games were also available to all other networks and independent stations on a sustaining basis and Station WOR-TV in New York carried the N.C.A.A. games on that basis. The NBC Research Department estimates that 35 million people saw at least some of the N.C.A.A. experimental program.

The Notre Dame-SMU game, for example, reached into 3,130,000 homes, the total viewers being estimated at 7,199,000. This was considerably over half of the total potential audience in the 39 areas where that game was shown. A number of games were also telecast in non-network areas, but their audience was naturally more limited.

As indicated above, the N.C.A.A. television program made possible the participation of 30 college teams in network telecasting. These colleges were thus afforded both the possibility of obtaining a share of the telecasting revenues and a fine public relations program undertaken by the sponsor. The Committee believes that the participation of so broad a group in the program is a healthy alternative to monopolization by a few top teams which would otherwise take place.

The wider the spread of television among the colleges, the less its effect in the field of overcommercialization of athletics. If two or three teams dominate the entire television network field, the financial rewards will be so great as to put irresistible premiums on successful teams. There will soon be many times more television stations than there are today and severalfold more television sets. The dangers to college football through competition for the sale of television rights will be greater than any temptations yet known to the game. If a Bowl game with its relatively modest $100,000 "take" has become a serious enough problem for N.C.A.A. consideration, how much more concerned must our members be in regard to a TV situation under which a half dozen teams could control the interconnected network with as much as half million dollars being dangled before the top two or three. It is only through a controlled program involving not thirty top teams but fifty or more teams of all types fairly selected, that this greatest threat to the integrity of the game can be met.

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III.

LEGALITY OF CONTROLLED TELEVISION

At the very outset of the Committee's work, the charge was made by various groups opposed to the action of the Dallas Convention, and the Committee Plan implementing that action, that any form of controlled television was a violation of the

Federal Anti-Trust Laws. The Committee, including Robert A. Hall of Yale, himself an experienced attorney, was confident that the Committee Plan was not a violation of any law. However, the Committee deemed it advisable to obtain the best possible legal advice on a matter of this importance, and Joseph L. Rauh, Jr., a prominent Washington attorney with fine legal experience in and out of government service, was retained by the N.C.A.A. as legal counsel for the Committee.

After reviewing the matter thoroughly, Mr. Rauh advised the Committee that, in his opinion, reasonable controls on telecasting would not violate the anti-trust laws and that the controls proposed by the Committee were reasonable in law as well as in fact. Mr. Rauh consulted other well-qualified attorneys and law teachers who supported his view of the matter.

Mr. Rauh prepared a detailed legal brief demonstrating that the N.C.A.A. Television Plan for 1951 did not violate the anti-trust laws. The brief pointed out that the restrictions on the broadcasting and telecasting of baseball games, which the Department of Justice had itself officially approved in October, 1949, were far greater than the restrictions contained in the N.C.A.A. Plan for the telecasting of college football games during 1951. All apart from the Department of Justice's 1949 ruling in the baseball situation, the brief pointed out that the N.C.A.A. Plan was a reasonable proposal for dealing with a nationwide threat to intercollegiate and intramural athletic and physical training programs essential to our defense and thus valid as a matter of law.

The N.C.A.A. Television Plan for 1951 was presented to the Department of Justice the day after its adoption together with Mr. Rauh's brief in support of the legality of the Plan. This conference on April 19, 1951 was attended by Assistant Attorney General Morison and his staff and by representatives of the N.C.A.A.-TV Committee. At the conclusion of the conference, the representatives of the Department of Justice

stated that they would take the matter "under study" and the representatives of the N.C.A.A. stated that they would keep the Department fully informed as to all action taken. The Committee has conscientiously carried out its undertaking with respect to furnishing full information to the Department.

When the Westinghouse Electric Corporation became the sponsor of the N.C.A.A. television program in July, 1951, their attorney also discussed the legal issues with the Department of Justice. At that time, the Westinghouse attorney was informed that the Department had not taken any official position on the N.C.A.A. program.

On October 9, 1951, the Department of Justice brought a civil suit against the National Football League seeking to enjoin the League from continuing its controlled television program. The Department announced that it was using its suit against professional football as a "test" case and indicated that no action would be taken against other sports until a definitive ruling was obtained in that case. The case has not yet been set for trial and no final court decision can be expected before a year or two. Furthermore, although a final decision favorable to the National Football League would settle the matter favorably to the N.C.A.A., an adverse decision in that case would not be determinative of the legal issue in the college situation. The restrictions imposed by professional football on both broadcasting and television are much greater than those imposed on telecasting by the 1951 Plan or are likely to be imposed by any future plan. Furthermore, the purpose of the N.C.A.A. Plan—the protection of the athletic and physical training programs of both colleges and high schools—differentiates the college situation from that of the professional football league.

Just prior to the Kentucky-Tennessee game of November 24th, a great deal of pressure was put on the Department of Justice to force the N.C.A.A. to allow the telecast of that game. At that time, a report emanating from the Justice Department

erroneously indicated to the public that the Department had previously informed the N.C.A.A. that its plan was unlawful. At no time prior to the Kentucky-Tennessee game dispute had the Department of Justice informed the N.C.A.A. in public or in private that its plan was unlawful, and any statement to the contrary was and is unfounded.

The N.C.A.A. should continue to keep the Department of Justice fully informed of its action and to watch the course of the pending action against professional football with interest. The Committee states, however, upon advice of counsel, that it believes its 1951 Plan and any similar plan was and is completely lawful. We believe that the ruling which the Department of Justice issued in October, 1949, in connection with the broadcasting and telecasting of baseball games was correct and completely validates a reasonable controlled program. All apart from the baseball ruling, we believe that the colleges have the right to come together through an organization of their choosing to deal with fundamental problems affecting intercollegiate athletics. If television, or anything else, threatens the future of intercollegiate athletics, we do not believe the law prohibits reasonable efforts to meet the threat.

Two examples may help to illustrate this undeniable right of the colleges to come together to protect the strength and integrity of athletics. Suppose the N.C.A.A. should at some time decide to ban or limit Bowl games on the theory that such games result in over-emphasis on the importance of winning and thus hurt college football. Is the N.C.A.A. going to be told by the Department of Justice or anyone else that its efforts to deal with a serious problem like this is an illegal or unreasonable restraint of trade and that the colleges cannot get together through the N.C.A.A. and agree to ban or limit Bowl games? Certainly no one would go that far, and yet, the "restraint" on the sponsors of a Bowl would be little different from the N.C.A.A. "restraint" on television. Again, suppose the N.C.A.A. should at some time ban basketball games in public

arenas on the theory that such games provide too great a temptation for the players. This, too is a "restraint" on the public arenas' right to deal with the individual colleges, but we do not believe anyone would seriously contend that such action by the N.C.A.A. would be illegal. N.C.A.A. action in the field of television, if undertaken for a similar purpose, could hardly be deemed invalid. Indeed, as we have already pointed out, the dangers inherent in television networks paying a half million dollars to a single institution for football television rights far outshadows the dangers from these sources.

In the last analysis, the question comes down to this: Is any given plan for dealing with television a reasonable one? If the plan adopted by the N.C.A.A. for the future is in fact a reasonable one, we believe it will also be a legal one. We believe that if the colleges determine that television is threatening the game of football, they are not without legal right to take reasonable action through the N.C.A.A. to protect the game.

IV.

STUDY BY NATIONAL OPINION RESEARCH CENTER

As part of the N.C.A.A. Television Plan for 1951, the N.C.A.A. made $50,000 available to the National Opinion Research Center for a systematic analysis of the effects of the experimental program on 1951 football attendance. The N.O.R.C. 1951 research program represents the most detailed and scientific study ever made of the attitudes and behavior of football fans in all parts of the United States. The scope of the program far surpassed last year's collection of attendance data; and the final N.O.R.C. report this March, in addition to evaluating the effectiveness of the experimental TV plan, will also contain much previously unknown information concerning the nature and habits of the people who buy admission to the country's college football stadiums.

In total, more than 100,000 individuals were contacted in the course of the 1951 research program. Two national cross-section surveys were made, one around Labor Day before the season started, and the second around Thanksgiving at the close of the season. The metropolitan areas of Boston and Pittsburgh were selected for detailed study, and a representative cross-section of approximately 500 football fans in each of these two cities was interviewed personally every week of the season regarding their Saturday afternoon and weekend activities. Seventeen colleges from New York to California cooperated with the N.O.R.C in conducting questionnaire surveys of their stadium audiences on two or more Saturdays during the season. Seven colleges participated in the research through their conduct of the telephone surveys among a cross-section of football fans in their home localities on those Saturdays when a home game was being played. Seven colleges, in collaboration with N.O.R.C. research experts, carried out mail questionnaire surveys of their alumni and students. Game-by-game attendance reports were solicited each week from the 269 football playing member institutions of the N.C.A.A. Finally, seasonal attendance data from 1947 to date were requested from a cross section of 250 high schools all over the country, in order to get some indication of TV's effects on this type of football attendance. All of this data will be analyzed in the final report of the N.O.R.C., which will be available this March.

Although the overwhelming mass of material collected by the N.O.R.C. this Fall has not yet been thoroughly analyzed in the short time since the close of the season, the overall trend of the research findings is unmistakably clear. We now know, for example, that the N.C.A.A.'s experimental program of restricted telecasting during 1951 did slow up the alarming decline in attendance which was characteristic of the great majority of colleges who were faced with unrestricted TV competition during 1950. Attendance in television areas was again down during the most recent season, but the colleges subject to

restricted television competition in 1951 suffered relatively less than they did in 1950 from unrestricted television. The N.O.R.C attributes this relative improvement to the N.C.A.A.'s experimental plan.

A few figures will illustrate the basis for this conclusion. Overall attendance during 1950 was substantially the same as overall attendance during the "Normal" or "base period," the 1947 and 1948 pretelevision seasons. Overall attendance during 1951 was down about 6% from both base period attendance and 1950 attendance. This overall drop was due to the decline in student enrollment of over 10% and the general sports attendance fall-off.

The fact that is significant here is that the colleges in areas where games were available on television, suffered relatively less from television competition under the 1951 Plan than they did in 1950 with unrestricted live television. The colleges in TV areas drew 96% of their 1950 attendance, a loss of only 4 points. Among colleges which faced no TV competition at all, attendance, while remaining better than that of colleges in TV areas, was only 90% of 1950, a loss of 10 points. Compared with last year, therefore, the adverse effects of television were greatly reduced.

We can also put this same point another way. In 1950, when television competition was generally unrestricted, attendance in TV areas was off 7.2% from base-period attendance, while attendance in non-TV areas was up 13.8% over base-period attendance. This differential of 21 points represents the effect of television in 1950. In 1951, however, attendance in television areas under the restricted N.C.A.A. Plan was off only 11.1% from the base period and non-TV area attendance was up only 2.3% over base-period attendance. In other words, the television differential was cut from 21 points to 13.4 points in 1951 by the N.C.A.A. Plan, which substantially eased the pressures of television competition. Considering the great increase in the number of TV sets in operation during 1951, it is

all the more significant that the N.C.A.A. program of restricted telecasting so noticeably reduced the adverse effects on attendance.

We also know from the research results available today that the television problem is still very much with us. Although more attractive games—those between old rivals with good win-loss records—consistently drew larger crowds than less attractive games, the colleges which are faced with television competition still show lower attendance levels than do those without TV competition. Although the "TV differential" was cut over a third, from 21 points to 13.4 points, the differential still remains and represents a very substantial loss to the colleges resulting from television. The attendance of colleges outside the range of TV is still slightly (2.3%) above the 1947-48 base levels, but when television is present, attendance is still off over 11% from the 1947-48 levels. The 1951 N.C.A.A. plan slowed up the rate of loss for this latter group and eased their position to a substantial extent, but they still had television competition and it still hurt them significantly.

Preliminary tables prepared by the N.O.R.C. setting forth 1951 attendance results district by district are appended to this report.

The N.O.R.C. found some indications that attendance on blackout Saturdays was a little higher than when a telecast game was available. They were unable to find these differences consistently enough or to a large enough degree to prove the matter mathematically. This was also true in the comparison of attendance during telecasts of regional against non-regional games. The Committee believes these inconclusive results stem largely from the fact that the public in general was not well informed about the N.C.A.A. experimental plan and was not generally aware of the blackout dates or the dates for non-regional telecasts in sufficient time to make plans for attendance at a local game. As the final report of the N.O.R.C. will make clear, most decisions to attend football games are made consid-

erably in advance and relatively few are made at the last minute. It seems probably that most fans made their decisions to attend or not to attend weeks before they learned about a scheduled blackout or a scheduled non-regional game and when this knowledge came to them it was usually too late to alter their decision about attendance. This conclusion is supported by the cases referred to in the following sections where publicity given to a blackout or to proposed television definitely affected game attendance. The Committee strongly recommends that the earliest, widest, and most detailed publicity be given to next year's television program so that timely plans can be made for attendance.

Research cannot decide all our problems for us. It can only provide a factual basis on which we must make our own decisions. We now have a sound basis of facts about football attendance, built up by the N.O.R.C. over the past two seasons. We will have an even sounder basis when the final N.O.R.C. report is available later this year. We urge that, no matter what our decision about television during 1952 may be, the N.C.A.A. continue to collect the factual information which will enable it to judge our progress and to continue to plan soundly for the future.

V.

INDIVIDUAL INSTANCES OF THE EFFECTS OF TELEVISION UPON ATTENDANCE

The preliminary figures supplied by the N.O.R.C. demonstrate the continued serious adverse effects of television upon attendance at college games. While no further demonstration is required, the Committee believes that the membership would be interested in a few individual instances of these serious adverse effects which have come to its attention and which are no doubt typical of dozens of similar instances throughout the country.

When it was announced that the blackout of Washington, D.C., scheduled for November 10, was to be shifted to November 17, sales of tickets for the Maryland-North Carolina State game on the latter date accelerated to a point three times the normal rate of sales for the season. The November 17 blackout in Washington received widespread publicity because of the controversy which resulted in the blackout of November 10 (the day of the Notre Dame-Michigan State telecast) being shifted to November 17. This instance is significant because it illustrates that when the existence of a blackout is known to the public early enough, there is a definite favorable effect on sales. Vice versa, when the University of Southern California and Stanford were seeking permission to telecast their game at Los Angeles on November 10, ticket sales dropped immediately upon publication of the report of the telecast. In like vein, when it became known generally that the Michigan-Ohio State game was to be telecast, there was a deluge of requests for refunds or cancellations. So, too, when it became known that the Colorado-Nebraska game of November 17 was to be telecast, requests for refunds mounted and even entire train parties were cancelled to watch the game by television instead of actual attendance. Even in the case of the famed Army-Navy game, prospective spectators came trooping into the ticket offices, only to say that they would watch the game on television if the end zone was all that was available. This preference of television over all but the best seats has become too commonplace for the Committee to multiply examples.

The Mid-American Conference provided a startling example of the adverse effect of television on attendance. The Miami-Cincinnati game was played this year on the same day that the Michigan-Ohio State game was telecast in Cincinnati and the surrounding territory. This game decided the football championship of the Mid-American Conference. Weather conditions were very good; the rivalry is over fifty years old; both schools had fine records. Usually the Cincinnati-Miami game is a sellout of 30,000. This year attendance was 16,000.

District 2, the Middle Atlantic States, the area of highest set saturation in the United States, provided an equally significant example of the adverse effect of television upon attendance. While attendance in District 2 was definitely off during the 1951 season, the two major institutions in this area not on the interconnected network, namely, Cornell and Penn State, did exceedingly well in their home stadiums. The significant fact is that only when they visited TV areas did their attendance fall off. Thus, for example, Cornell's home attendance increased nearly 25% in 1951, while its away games were off almost 10%.

Space does not permit the multiplication of examples from the experience of college football or from other sports.

VI.

CONCLUSION AND RECOMMENDATIONS

The Committee does not feel that it can conclude its report without a word on the importance to the American way of life of college football and the athletic and physical training programs which depend on it. For, in the last analysis, that is the focal point at which our efforts have and must continue to be directed.

We are united in our belief that football is a game that has and does contribute to the strength of our great nation. The necessities of our country constantly demand larger and larger numbers of our finest citizens to direct and fight for her welfare and for the furtherance of Christian ideals throughout the world. Football is the stiff backbone of our giant sport system that indoctrinates the young men in our high schools and our colleges to carry on the great American spirit of hustle, free and fair competition, resourcefulness, and the will to win. Football is the stern master which demands the best and enlarges the physical, mental and moral capacities of its players. Football is the standard-bearer and the provider for all the other school

sports and for our vast intramural games and physical training programs; it provides three-fourths of the athletic budgets of the colleges of the nation.

Our nation has grown with amazing speed and progress due to the ambition, initiative, teamwork, and drive of its hard-working and enterprising manpower. Where else in our training pattern can these characteristic qualities be developed as well? Should we, who know these truths, stand idly by and allow the nucleus, football, and the whole sport system be threatened or impaired by a development, television, which trends in the opposite direction of more softness and commercialization and lessened participation? Do the engineers believe that mathematics should be dropped or reduced because mechanical computers have been invented? We note with regret that many schools and colleges have had to drop football when there are many present who could testify to the great good accomplished by the addition of 150-lb. football to their programs. The need is for more football and more sports instead of less.

Intercollegiate and interscholastic athletics are the spearhead of our national training program. The strength of the competition kindles the ambition of youths to excel, to work and perfect themselves to deliver their best efforts. Teamwork, self-sacrifice and perseverance are required; strength, stamina, courage and skill are demanded. They supply incentive and opportunity which gives the impetus for individual, intramural and lesser squad participation. They reflect the leadership of football, and depend on its receipts for their own existence.

Many say that all this great sports activity should not depend on football receipts. But have those who take this view agreed to provide from taxes or any other source the necessary funds to underwrite this vast athletic program? Until they do, our present method must pay the bills. No one objects to the fact that Community Chest or Red Cross budgets are higher than they used to be, because it is known that the amount of

good they do is great. Yet there seem to be many objectors to the effort of athletic administrators to defend the income that supports a very vital part of the Nation's training program, a program dedicated to building strength, health, courage, ability and self-reliance. Perhaps we have in the past oversold the spectacular parts of our events. For the future we are determined not to leave unnoticed the great service performed by football, which takes all the kicks and criticism, yet still supports sports opportunities of all kinds for our rising generations.

In conclusion, the Committee desires to stress again the dangers to the game of football if two or three top teams are able to monopolize the television networks. The resulting financial rewards would create greater temptations than any yet known to the game and would place irresistible premiums on successful teams. We must not only limit the amount of television, but we must spread it far and wide.

We believe that the experience with the N.C.A.A. Television Plan for 1951 and the facts set forth in this report make clear the course of the N.C.A.A. for the future. We reject the urgings of those who seek a complete ban on live telecasting; college football and live television can and will live side by side. Equally firmly, we reject the urgings of those few who would return college football to unrestricted live television and seek thereby to profit from the loss of others and particularly from the loss of the small colleges and high schools. We urge a middle course of moderation. To this end, we recommend to the N.C.A.A. convention the following plan for 1952:

1. A television program for the 1952 season controlled and directed by the N.C.A.A.

2. The objectives of this program shall be:

   (a) To minimize the adverse effects of live television upon attendance at college and high school football games;

(b) Within the limits of such control plan as may ultimately be adopted, to spread television among as many colleges as possible;

(c) To provide television to the public to the extent consistent with the first two objectives.

3. The 1952 television program shall be worked out by a TV Committee to be appointed by the Council of the N.C.A.A.

4. The Committee shall give full consideration to the final N.O.R.C. report when available.

5. When the plan has been worked out by the Committee, it shall be submitted to the membership, of the N.C.A.A. for adoption by mail referendum vote.

6. No member of the N.C.A.A. shall make any contracts or arrangements for the televising of games for the 1952 season except in accordance with the approved plan.

We believe that an effective plan for 1952 can and will be worked out by the new Committee. We further believe that, as we have already stated, the sports public will come to understand the great issues at stake and will recognize the N.C.A.A. efforts in this field as the best and only means of protecting the physical well-being and the physical development of the sons and daughters of the nation.

Respectfully submitted,

Robert A. Ha[illegible]	E. L. Romney
Max Farrington	Willis O. Hunter
Edward Krause	Ralph Furey, Co-Chairman
Reaves E. Peters	Thomas J. Hamilton,
Howard Grubbs	Co-Chairman

TABLE I

TRENDS IN PAID FOOTBALL ATTENDANCE IN 1950 AND 1951 FOR COLLEGES WITH TELEVISION COMPETITION AND WITH NO TELEVISION COMPETITION

Percent of Expected Attendance*

	**1950	1951	1951 as Percent of 1950
Colleges with TV competition (141)	92.8	88.9	96%
Colleges with no TV competition (95)	113.8	102.3	90%
All Colleges (236)	99.5	93.4	94%

* "Expected" attendance is average for the two pre-television base years, 1947-48.

** 1950 figures differ slightly from those reported last year, due to some shifts in classification add to adjustment for free admissions.

TABLE II

1950 AND 1951 ATTENDANCE TRENDS EXPRESSED IN TERMS OF PERCENT OF COLLEGES INCREASING AND DECREASING THEIR ATTENDANCE

Percent Whose Attendance Was:	1950 (compared with 1947-48) Colleges Where There Was		1951 (compared with 1950) Colleges Where There Was	
	TV	No TV	TV	No TV
Up	31%	48%	31%	23%
Same	26%	14%	18%	9%
Down	43%	38%	51%	68%
	100%	100%	100%	100%

TABLE III

TRENDS IN PAID FOOTBALL ATTENDANCE IN 1950 AND 1951 FOR COLLEGES WITH TELEVISION COMPETITION AND WITH NO TELEVISION COMPETITION BY N.C.A.A. DISTRICT

Percent of Expected Attendance

N.C.A.A. District	No. of Colleges*	1950	1951	1951 as a Percent of 1950
1—New England				
TV Competition	(18)	80.2	72.5	90%
No TV Competition	(6)	100.2	69.0	69%
Total	(24)	81.8	72.2	88%
2—Middle Atlantic				
TV Competition	(43)	83.2	74.3	89%
No TV Competition	(6)	103.4	83.8	81%
Total	(49)	83.6	74.5	89%
3—Southeast				
TV Competition	(20)	99.1	93.5	94%
No TV Competition	(17)	103.9	95.7	92%
Total	(37)	101.4	94.4	93%
4—Midwest				
TV Competition	(39)	101.2	99.6	98%
No TV Competition	(13)	99.6	97.6	98%
Total	(52)	100.9	99.3	98%
5—West Central				
TV Competition	(8)	96.7	98.9	102%
No TV Competition	(16)	128.0	103.6	81%
Total	(24)	113.0	101.5	90%
6—Southwest				
TV Competition	(0)	—	—	—%
No TV Competition	(19)	127.3	124.4	98%
Total	(19)	127.3	124.4	98%
7—Mountain				
TV Competition	(2)	81.8	58.5	72%
No TV Competition	(7)	91.5	51.6	56%
Total	(9)	88.4	53.6	61%
8—Pacific				
TV Competition	(11)	91.0	92.3	101%
No TV Competition	(11)	114.1	102.5	90%
Total	(22)	96.9	95.1	98%

* Percentage changes should be interpreted with caution when only a small number of colleges are included.

TABLE IV

AVERAGE PAID ATTENDANCE AT MORE AND LESS ATTRACTIVE GAMES IN 1951, AS A PERCENT OF EXPECTED ATTENDANCE* FOR LARGE, MEDIUM AND SMALL COLLEGES WITH AND WITHOUT TELEVISION COMPETITION

MORE ATTRACTIVE GAMES**

Size of College***	Colleges with TV Competition	Colleges with No TV Competition
Large	111%	136%
Medium	105%	139%
Small	100%	119%

LESS ATTRACTIVE GAMES

Size of College	Colleges with TV Competition	Colleges with No TV Competition
Large	70%	85%
Medium	65%	76%
Small	62%	72%

* "Expected attendance" is average attendance per game in the two pre-television base years, 1947-48.

** "Game Attractiveness" was determined by rating of the athletic director at each college, without regard to weather or television competition.

*** "Large" colleges are those which averaged 15,000 or more attendance during the base years; "medium" colleges are those which averaged 5,000 to 14,999; "small" colleges are those which averaged less than 5,000 per game during 1947-48.

CHAIRMAN WILSON: You have heard the report and the Chair will be glad to recognize delegates who wish to discuss it.

MR. FRANCIS MURRAY (University of Pennsylvania): Could he give us some enlightenment on the charts at the end of the report, the four statistical tables at the end of the report?

CHAIRMAN WILSON: Mr. Sheatsley is here and I believe would be glad to answer any questions.

MR. SHEATSLEY: I will be glad to answer any questions about the Table or would you prefer I run through them briefly? Did you have anything specific in mind Mr. Murray?

MR. MURRAY: I think it would be helpful if you run through them briefly.

MR. SHEATSLEY: Table I provides the answers to two questions, first, does television affect football attendance and second, was the N.C.A.A. 1951 plan successful in reducing that adverse effect.

We get the answer from the second column under 1951. We see for instance on the second line that colleges which had no television competition in 1951 drew 102.3 per cent of their average 1947-48 base attendance. In other words, their attendance has held up. It is even a little better than it was in those base years.

Colleges with television competition, however, in the line above drew only 88.9 per cent of their base attendance.

The differential there is something like 13.4 points which can be attributed to the effects of television.

Now, the final column there which shows 1951 as a per cent of 1950 indicates that the N.C.A.A. 1951 plan helped to reduce the adverse effects of television. We see football attendance in general was off last year for all colleges it was only 94 per cent of the 1950 total. The decline was sharpest among those colleges which had no TV competition. In the

television areas the colleges did relatively better as against last year. Last year they were up against unrestricted TV competition and they had a very bad season attendance-wise. This year, they had only restricted television, less television and they drew 96 percent of their 1950 attendance. Their rate of loss was slowed up. They did relatively better than they did in 1950.

Table II presents the same essential findings in a little different fashion. There it was in terms of proportion of colleges, in 1950 for instance the first column there we can see that the colleges which were faced with television competition in 1950 generally went down in attendance. Forty-three per cent of them went down, only 31 per cent of them went up. Where there was no television in 1950 the trend has worked quite opposite. There the greater number of colleges showed increases in attendance. Forty-eight per cent of them went up, only 38 per cent went down. In 1951 though, compared with 1950 we see that the television area colleges did a little better. Their situation was better than it was in 1950 when they had unrestricted TV. This year 31 per cent of them showed attendance increases over last year as compared with only 23 per cent of the colleges which faced no TV competition, so that finding merely supports what we found in Table I.

Table III is merely the same sort of figures broken down by region. There were three lines under each region, the first line shows what the colleges which were faced with television competition did in 1950 and 1951; the second one shows what those colleges which had no television competition did, and the third line shows the total attendance for the whole region.

I don't think we need to go through the whole series of figures in this table but in general we see the same thing we saw in Table I. The colleges where there was no television competition generally do better than those where there is competition and in 1951 as compared to 1950 the teams faced with TV competition did a little bit better.

Table IV presents some figures comparing large, medium and small schools and also introduces the factor of the attractiveness of the game, the performance of the teams and so on. The major point there, I think, is that more attractive games, as you might expect, consistently do much better than the less attractive games. The top of the table versus the bottom. However, regardless of the attractiveness of the game, the colleges which don't have television competition do better. At the more attractive games among all three sizes of schools those colleges with no TV competition do better than the ones with television competition. Among the large schools, for instance, at the more attractive games among large institutions with television competition, those games draw 111% of average attendance. Without TV they draw 136%. Among the medium schools the figures are 105, 139 among the small it is 100 and 119. Always you will find where there is no television competition attendance is higher.

That holds equally true for the less attractive games. These figures are much lower, the games draw more poorly but always where there is no television competition they draw better than where there is television competition. 70-85, 65-76, 62-72.

I will be glad to try to answer any questions you may have about this research.

MR. MURRAY: I have some remarks I'd like to pass along. I think I could work well up there.

CHAIRMAN WILSON: Please come up.

MR. MURRAY: The amount of information contained in this report and the size of it when we consider it is only a preliminary report, speaks amply for the commendation the Chairman made of the Television Committee and the work they put in on the entire program, and even though I enjoy a different viewpoint I nonetheless am appreciative of their sincerity and industry.

Of course, I couldn't be expected to digest the whole report as it went along. However there were certain specific references to the University of Pennsylvania, and for that reason I would like to say that as you probably know by this time for years at the University of Pennsylvania we have thought very well of television. Now these views at the University are not recent. Long before I came there a study was made and it was concluded that television was a remarkable new development which would make it possible to bring ideas, events, information and understanding to many millions of people through the combination of sight and hearing, of visual aid charts and pictures of actual events. So it was concluded television might be the means of keeping the people of a great democratic nation abreast with the information and the understanding needed in leadership in a modern world.

Thus my University very early began to cooperate in its laboratories and in its administrative activities with television. Eleven years ago, October 5, 1940, in an experimental arrangement with the Philco Corporation a football game on Franklin Field was first telecast. Ever since that time, with the exception of 1951, not only have the football games at Franklin Field been televised but a wide range of lectures and convocations and discussions and demonstrations have been put on television by the faculty and the students of the University of Pennsylvania.

June 6, of 1949 our University first televised in color, a surgical operation, and then developed in cooperation with C.B.S. and Zenith the techniques and methods by which the teachings of surgery can be assisted through the use of color television. A complete installation for this purpose will be included in our new Thomas Sovereign Gates Medical Clinic which is under construction.

The University of Pennsylvania doctors have demonstrated this method of teaching surgery before thousands of doctors at the American Medical Association Conventions in Atlantic City.

The surgeon with a small microphone in his mask explains to hundreds of other doctors, surgeons and surgical students just how he is performing his operation, what he is finding, even as they have opportunity, through remote control color television of watching closely as he works.

Our University Museum is weekly conducting a television program in which unique and ancient objects become a center of a quiz experts, and in an interesting manner millions of people learn more about the ancient background of our own and other civilizations and gain an increased understanding of the world.

To summarize, it is the policy of my University to integrate and use constructively each scientific advance with every department and every phase of our University life.

Well that hasn't much to do with sports, you can say but particularly apropos of our televising football games is the fact that a letter found in our inactive athletic department files, dated September 2, 1927, contains the considered opinion of the then Chairman of our Council on Athletics, and the now deceased Mr. Sidney Hutchinson, an insurance executive of international reputation, wherein that date he cautions the late Edward Bushnell, then a member of Pennsylvania's Athletic Council, to permit the radio broadcasting of only three football games that season, namely the Navy, Harvard, and Cornell games, as it was his fear this new means of communication might prove devastating to at-the-game attendance.

Even though this letter was written better than a quarter of a century ago, if you substitute the word "television" for "radio" it could very well have been written during the past year.

My own personal experience with this new medium of television antedates my recent association with the University of Pennsylvania by many years. Frankly my initial reaction was one of opposition to its employ in connection with events for

which I bore responsibility. In that respect they were not dissimilar to those Mr. Hutchinson expressed back in 1927.

My subsequent experiences however with the medium not only disproved my early fears, but, in addition, brought me to a recognition of its potent force as a strong ally in the promotion of events for which I was responsible. So being so indoctrinated I have no hesitancy in taking issue with my sincere well-intentioned colleagues who advocate the limited control approach, wherein each individual school may determine after consultation with its respective opponents whether or not to televise its home football games. I feel confident in a short space of time this will be recognized by all as not only the wise, but also the necessary means of utilizing this medium.

One of the features of the Control Plan calls for serious review and let me preface my remarks before I get into this by saying that I present these views of mine not in the spirit of opposition, but rather being a firm believer that we can arrive at an answer for the protection of us all only through the frank exchange of viewpoints on the issue. So in the spirit of cooperation rather than opposition, I will take off on some points which I feel can present another viewpoint on the matter.

One of the first features of the Control Plan that calls for serious review in my opinion because it perhaps is the most imminently dangerous one focuses on its apparent illegal features. This complication should cause us all to pause at length since this very moment the National Football League is being sued by the Department of Justice for imposing television restraints on its members.

In the Pro football trial, which commenced only two days ago in Philadelphia, it is highly disturbing to learn of the very real possibility that this Association may find itself in the role of a defendant unless each and every member is permitted to make such arrangements as they individually wish to make with their respective opponents for the televising of their home

football games. That portion of the argument in the Pro case which should prove alarming to all of us can be found in the portion of the Oral Arguments on the League's motion to dismiss the complaint which was denied, and these are the verbatim remarks in the record:

The Presiding Judge was Judge Grim and addressing his questions to Mr. Epes of the Justice Department who was prosecuting the case, the Judge asked this question: "Do your theories cover the college situation, the situation where the colleges agree to black out certain areas at certain times. For instance, the University of Pennsylvania, I believe has not permitted to televise its games because of the agreement among the colleges. Would your theory cover the college situation as well?"

The gentleman from the Justice Department replied: "Well we feel that any agreement which restricts the sale of broadcasting and televising rights by a group, by group action, and takes away from an individual team its right to make its own determination is a violation of the Sherman Act."

The Court came back: "Whether it be an institution not for profit, like the University of Pennsylvania, or whether it be the Philadelphia Eagles, which is definitely a business for profit, would the same rule apply?"

Mr. Epes said: "We think so, Your Honor, although of course it is not the issue here. But, we think so. A combination and conspiracy among a group of sellers which curtails the freedom of each to exercise an independent judgment on the areas in which and under what terms and conditions he will sell, have been consistently condemned under the Anti-Trust Laws."

Now that warning in itself I believe is sufficient evidence that the course followed by the Television Committee was channeled along lines which certainly flirt with, if not actually invade the areas forbidden by the Anti-Trust laws of the United States.

At this point because we are specifically mentioned in the TV report I want to go back to page six of the report where it says the University of Pennsylvania "appealed" to the Justice Department. The exact connotation there I think calls for clarification. What the University of Pennsylvania did when its counsel told it that the actions were in his opinion a violation of the Sherman Anti-Trust Act, was to send a letter to the Justice Department and asked them if they ever either formally or informally advised the N.C.A.A. TV Committee whether the plan they were operating under was legal or illegal. I received a letter back from him in which he told me I could make public the enclosure. The enclosure was a letter addressed to Mr. Jos. Rauh, Jr., Esquire, Counsel for the N.C.A.A., from Morison of the Anti-Trust Division of the Department of Justice.

On November 30, 1950 an Association Press release stated that a member of the N.C.A.A. TV Committee was quoted as having said 'N.C.A.A. has not heard a word from the government since April 1950.'

A letter dated June 20, 1951 addressed to Mr. Joseph L. Rauh, Jr., Esquire, Counsel for the N.C.A.A. TV Committee from H. Graham Morison, Assistant Attorney General of the Anti-Trust Division of the U.S. Department of Justice and supplied to the University of Pennsylvania in reply to its request as to advice whether Mr. Morison's office had either formally or informally approved the N.C.A.A. TV moratorium plan reads as follows:

"Dear Mr. Rauh. The Anti-Trust Division has been disturbed by numerous statements in the press made by sports writers and editors to the effect that the Department of Justice approved the plan of the N.C.A.A. for limited television programming of collegiate football games next Fall.

"The Television program of the N.C.A.A. was not submitted to the Department; rather the Anti-Trust Division requested a submission by the Association of the details of the plan because of its anti-trust implications.

"You will recall that upon the submission of the plan members of my staff joined me in meeting with representatives of the Association to discuss the plan. The Department did not approve the plan and instituted a full investigation which is now under way.

"In view of the foregoing I am sure that your client, the N.C.A.A. will wish to clear up the erroneous statements in the press as to the Departmental approval of the plan by making an appropriate public statement at the earliest possible moment.

Sincerely,
(Signed) H. G. Morison
Assistant to the Attorney-General

So gentlemen, the University of Pennsylvania's "appeal" took the form of a letter just asking whether approval had ever been given formally or informally and that letter sort of clarifies the situation, I believe.

Now in the public press commencing in June and continuing into November of last year, and now into January, 1951, official and unofficial legal opinion has predominantly expressed itself as feeling that our Association was acting illegally.

In light of this, the argument as to whether or not live television hurts the gate or not becomes relatively unimportant, because we, least of all, should adopt the attitude that the needs justify the means.

Conscious of our responsibilities to our institutions as educational centers, charged with the development and training of the youth of the land, and interested in meriting the respect of the American citizenry, it is incumbent upon us to formulate our 1952 television policy along unquestionably legal lines, bearing in mind the legal storm warnings that have been sounded from the Justice Department and other sources, and being always conscious that the only direct manner in which the Anti-Trust Division can speak to us is with the filing of a suit.

Very shortly we will be called upon to pass upon certain proposed and rather sweeping grants of authority in the form of amendments to our present Constitution. Included among these proposals are amendments which, if favorably acted upon, would give this Association for the first time power to legislate in connection with the televising of intercollegiate sports.

Recently the professional baseball people deleted from their Code that portion of their regulations which imposed a restraint on individual league members with respect to broadcasting and televising.

In the Pro football league suit, it is my understanding the crux of the complaint revolves around the restraining article in the League's constitution and by-laws, which limits their individual members with regard to broadcasting and televising. It should be borne in mind that, in suing, the Government is not saying that you must televise, but rather that individual members of a group or association should not have forced upon them an agreement as to how any two teams engaged in a contest worthy of coverage by television or radio or both may act.

Certainly then, it would be ill-advised action on our part to now amend our Constitution along lines that the professional baseball people have recognized as undesirable, and the pro football people have found to be challengable on the grounds of illegality.

Today good public relations, always vital to our institutions, is more necessary than ever before. The dramatic qualities of intercollegiate football competition curiously enough establish that activity as one of any institution's strongest instruments to create good will among its friends and alumni, from whom, according to a survey reported in the New York Times, better than 1300 educational institutions are attempting to solicit approximately 3 billion dollars to provide

for development programs, and to meet balooning expenditures.

To deprive that section of our interested population of the opportunity of viewing our athletic contests over television cannot possibly have any but an adverse affect on their good will toward us, and leaves us open to charges of being remiss in discharging our obligation to the over-all university attempt to constantly hold a position high in the public regard, and not low in its esteem.

As the 1951 controlled television program moved into its late October and early November stages, this adverse affect on the public began to manifest itself.

Now to form a strictly unprejudiced opinion in this particular connection, I feel that, against the exclusively favorable comment prepared in pamphlet form by the N.C.A.A. TV Committee, the opinions which appeared on the editorial pages of many of the leading newspapers of the country, unfavorable to the test program, should be weighed carefully.

Such publications as the Denver Post, the Chicago Tribune, the Dallas Morning News, the Washington Post, the Philadelphia Inquirer, the Detroit Times, the Milwaukee Journal, the Indianapolis Star, and the New York Daily News, saw fit to comment critically, and some even facetiously, on the program.

The commercialization of college athletics has been recognized over the years as one of its prime evils, and voluminous is the material and many the utterances dealing with that to-be-avoided temptation.

Aside from the undesirable effects of commercialism in sports as they immediately register with us as athletic directors, we, as the heads of just one department of the many in our institution's educational structure, should be mindful that in recent years all educators have been much concerned over the

apparent growing tendency on the part of Government to classify educational institutions in with business concerns, in connection with taxation, labor relations, and other related activities. This has been the result of an increasing development by the institutions of activities conducted along business lines.

If the television restrictions are to be continued it seems to me to be inevitable that we will be subject to an anti-trust prosecution which will constitute another major step and a most unfortunate one toward our being treated as business enterprises.

Now in connection with the experiment itself, without trying to become too statistical and using the "People Present" type of survey, my University, situated as it is in one of the prime TV testing rounds of the nation was delighted to find indications are the present study confirmed its belief, based on its own observations, that its activities in television had no adverse effect on its neighboring institutions. Pennsylvania would never consciously injure or work a hardship upon its sister institutions under any conditions.

A review of 1949, 1950 and 1951 attendance figures, supplied by N.W. Ayer and Sons as part of its continuing survey, for the 13 colleges and universities within a 60 mile radius of Philadelphia, excluding the University of Pennsylvania, indicates that from 1949 to 1950 there was a decline in attendance at these colleges of approximately 600 per game played, with seven colleges showing an overall increase in attendance, and six showing a decrease in attendance.

From 1950, wherein no TV restrictions existed, to 1951, with controlled TV, there was a decline in attendance of approximately 1300 people per game, with one college showing an overall season increase, seven colleges showing a decrease, and five colleges holding approximately even, in per game attendance.

During this same period, attendance at the University of Pennsylvania football games declined from an average of 54,069 admissions per game in 1949, to 49,364 per game in 1950, with uncontrolled TV. In the 1951 season, with controlled TV, per game attendance suffered an alarming decrease to 38,785.

Now does this not indicate (Particularly in connection with the smaller colleges) a steady decline beginning in 1949 and prior thereto and accelerated in 1951, is due to some circumstances or a combination of circumstances other than live television?

A development that would lend substance to this observation is the fact that while the eastern seaboard apparently is suffering a sharper decline in attendance than other sectors it is rather significant to note that since the end of last season some 35 colleges with full knowledge that television in 1951 would be on a very limited and controlled basis, saw fit to give up the sport of football, primarily because it was financially imprudent, and in this total are representatives from the mid-west, south, southwest, and far west, in addition to the east.

Gentlemen, I will be the last fellow in the world to minimize the importance of the position we all hold as athletic directors of our institutions and also be the last to aggrandize the relationship to the overall college picture. The Universities and colleges of America long ago recognized the tremendous educational advantages of the medium of television and recorded their interest in filing applications for the allocation of channels for their own specific educational or commercial purposes. Perhaps your own institution has already filed or is contemplating filing such application.

It is inescapable that eventually your institution will be utilizing this medium for educational purposes. So I say to you again in the spirit of cooperation, let us not as athletic directors formulate in our 1952 plans any present bars or legal prejudices

to the future realization of institutional television objectives with which we are immediately concerned. It is planned for the maximum service to the maximum number of people. I think the maximum number of dollars will take care of themselves.

I appreciate again the opportunity of presenting what I know is a minority viewpoint on this subject. I again wish to compliment the TV Committee with whom I have been in frequent touch during the past, for the fine work they did, I am sure that it is a very complicated and perplexing problem. Because we all feel free to express our views we will come to the right answer and have no trouble at all with Mr. Law.

CHAIRMAN WILSON: I will ask Mr. Rauh of Washington to express his views.

MR. JOSEPH RAUH: I take as a very serious responsibility, the giving of a legal opinion to the colleges of the country. I believe, however, that the plan of 1951, and any similar plan is entirely legal. And therefore I feel it my duty to state that.

In arriving at that opinion I consulted with various persons both in the practice of law, and in the teaching of law, in order to carry out a responsibility as great as this. And I feel confident in the statement that I have given to your Television Committee that their action during the past year and their proposals for next year are completely and entirely lawful.

Now I recognize that as in most legal subjects there is a difference of opinion on this question. You have heard the differences this afternoon. Mr. Murray has stated his own counsel's views on the matter. However, a difference of opinion shouldn't frighten anyone because there is a difference of opinion even in Mr. Murray's camp. The Department of Justice is itself divided at the moment and is itself divided against the Department of Justice as of two years ago. Two years ago the Department of Justice gave a ruling that a plan of the kind that we adopted was entirely legal. It is only in the last few months

that there has come a reversal of this opinion and even today many of the attorneys in the Department of Justice feel that the original ruling of two years ago was correct and the one today is erroneous.

Now, I don't know that I could do a good job in explaining the legal issues to a group of Athletic Directors, but I shall try because I think at heart the issues are simple. The law forbids a restraint of trade that is unreasonable. There is no law that forbids every restraint and the sole question at issue is whether what the Committee did and what it proposes is reasonable. I believe it to be such.

Now the question of reasonableness depends on various facts. The first one is, are the facts of the N.O.R.C. correct? That is, is there a reasonable relationship between television and gate attendance? I think when the Committee went to the best statistical agency in the country and got its figures, it was acting in a reasonable fashion.

The second big point is, what is the purpose of the programs. Well the purpose is to protect the athletic and physical training programs of the nation, again a reasonable purpose, so in my judgment the issue comes down to: Is this reasonable? And the facts show that it is.

Let me give you one example which I think clarifies this for me and it did for some of the members of the Committee, and the Council, when I tried to explain it yesterday. I think that the colleges of the country have the undeniable right to come together and protect themselves against a threat from the outside, be it television or anything else. And I would like to give an example without treading upon your province and without suggesting that the N.C.A.A. would legislate on the example that I am about to give, but I want to give it for its illustrative purposes.

Suppose the N.C.A.A. at some future time should ban or limit Bowl games. Now the restraint in that connection is

identical with the restraint here. The sponsors of the Bowl claim that they have the right to deal with each of the colleges individually. The networks, claim they have the right to deal with each of the colleges individually. I say if it is reasonable in the case of the Bowl games, and I tell you that the Department of Justice would be laughed out of Court if they tried to do anything about a restriction on Bowl games, I say it is equally reasonable here.

Now you have heard Mr. Murray say that there is a possibility that the Department of Justice might at some future date bring a suit. There is that possibility and no man can stand in front of you and say that there was not. However, I would like to point out the facts as I understand them.

The Department has brought a test case against the National Football League. It has stated that until that case is settled, until the law is settled definitely in that case it will take no further action. Therefore, the question arises when is action likely to come in the National Football League suit? It would be my judgment that that would come in a year or two or three.

Nothing that happened in the court room on Tuesday has any effect on our case. Indeed the only man who was stating that there was anything wrong with what we were doing seems to be the representative of the Department of Justice who, speaking there in the court room, took the diametrically opposed view to the view of the Department of Justice two years earlier.

Now it seems to me that the assumption was made here that there is something wrong in doing something that risks the opposition of someone who might bring a suit. On such a theory one would never take any action to protect themselves. Indeed one might say that the normal resistance to erroneous actions of government has got to be by taking the action you believe is correct and let the chips fall where they may. Indeed if Mr. Murray will permit, I will say that is the doctrine that has been espoused quite often by the President of his University.

Now the question arises that certain institutions might feel that their own counsels would take a position not in agreement with the one I have stated. I would like to say to those institutions what I said to the counsel for the University of Pennsylvania last June, when Mr. Drinker called me on the telephone. We discussed the legality of this plan. I argued then as I have argued with other people, some I have convinced and some I haven't, that our plan was legal. Mr. Drinker said "I regret to say I cannot go along with your opinion, therefore I cannot advise my college to take an illegal act." And I pointed out to Mr. Drinker that there was no occasion for his college taking an illegal act. If he felt that the action of the N.C.A.A. was wrong and unlawful, their simple answer was not to televise their games and not to participate in the program. By so doing he completely protected his own institution but in no way damaged the other 300 colleges which wanted to go along with the program and I point out to you that the ultimate action of the University of Pennsylvania was along that line, that they did run no risk of any illegal action or any claim that they had so acted.

And I would say to any other institution as to which there is some doubt in their minds, the answer is not to break the program that the majority seeks, but the answer is not to participate in it and there will be no dangers of any illegal action.

Now it seems to me that the question of what is going to happen in the Football League and what isn't going to happen is a good deal in the future. If the Football League case goes in favor of the Football League naturally we have no problem whatever. If, however, it should go adverse to the Football League I still believe that our program, our plan is legal because of two distinctions between our situation and the Football League. First the restrictions in that case are much greater than they are in our situation. We had live television competing with college football. They do not. It seems to me

that that is as great a distinction as you could get. And secondly, the purposes are entirely different and the purpose is a consideration for anyone in determining reasonableness and I believe regardless of the outcome of that suit, regardless of anything that has happened in the baseball situation, regardless of the fact that the Justice Department has now reversed a position taken two years ago, the ultimate outcome of this situation will be one in which our plan will be declared legal.

CHAIRMAN WILSON: We have in our membership two men of long experience in law. I would like to ask if they would care to comment. First Dean Nutting, the Dean of the Law School of the University of Pittsburgh.

DEAN CHARLES B. NUTTING: Perhaps I should say, Mr. Chairman, that I am a reformed lawyer because I haven't been engaged in the active practice of law for a good many years. But there are two or three things I think I might say in connection with the presentation that has been made this afternoon so ably by so many people. I should like to concur in Mr. Rauh's statement that although this legal situation has been presented as a very complicated and technical matter I think the issues are really very simple ones and I think they can be summed up merely in these ways.

First, is unrestricted television a danger to the program of member institutions? I take it on the basis of the careful and impartial survey which has been made and presented to you this afternoon there is no doubt whatever on that point. There is not only a substantial danger to the football but also a danger to the integrated athletic programs of member institutions if unrestricted television is to be permitted.

The second question is, can this danger be avoided only by concerted action? And I submit to you again that is perfectly apparent from the report of the Committee and the discussion from the floor.

Gentlemen this idea of individual initiative, individual freedom, is an important one. But the idea of the concerted action is as old as the Republic and probably goes back farther than that. I am reminded of the statement of another eminent Philadelphia gentleman: "We must all hang together, or we will hang separately." And I suggest to you that is a very pertinent observation in connection with the problems that confront us today.

So if it is true that unrestricted television is a danger to our programs and if it is true that that danger can be avoided only by concerted action, then the only thing we have left is the spectre of illegality which has been raised for us this afternoon. I shan't go into a technical legal argument even to the extent that was done by my learned friends, Mr. Rauh and Mr. Murray. It seems to me it comes down simply to this. Is action which is necessary from the standpoint of these many institutions, which is suggested as a result of a continued and careful survey and which we believe to be in the public interest, to be made impossible because of an interpretation of an Act which was passed in 1890, for the purpose of curbing the activities of great industrial combinations? Because that is what the Sherman Act is.

I agree fully with Mr. Rauh that the only test that we have here, which we can apply, is the test of reasonableness. I do not believe we should be dissuaded from our point of view or from our purpose by a statement which may have been made by an attorney of the Department of Justice in argument with a Judge in a particular lawsuit in its preliminary stages.

I think the issue is whether the law prevents us from protecting ourselves. I don't know whether I should mention this in front of a group of this kind but I get many of my cultural ideas from the comic strips and one of the strips I read most avidly is Li'l Abner. Those of you who read Li'l Abner know the Schmoo, not the Schmoe, the Schmoo is an animal too good to live and is willing to sacrifice itself in order to

satisfy the pleasure and advantage of others, other people and perhaps other animals as well. The Schmoo likes to commit suicide so other people can eat him up. The question I think before this house is whether the government of the United States in its interpretation of the Sherman Act requires the members of the National Collegiate Athletic Association to be Schmoos. I suggest to you that it does not and that this program which has been so carefully worked out and implemented by this very industrious and able Committee deserves your careful attention and your favorable action.

CHAIRMAN WILSON: I'd like to call on Professor Ralph Aigler, who has been a member of the N.C.A.A. for many many years and who might wish to express his views.

PROF. RALPH AIGLER: In the more than 30 years that I have attended meetings of the N.C.A.A. I have had many occasions to stand before the delegates of the convention but I think this is the first time that I have had the opportunity to appear before the delegates in a capacity in which I earn my living.

Although I have very definite ideas about television and its effect upon college athletic programs, I am not going to take up any time discussing that. When a client comes to a lawyer and tells his lawyer that he has done so and so, and then asks the question: "Where do I stand? What are my rights? What are my duties? What shall I do?" I suppose every lawyer either consciously or unconsciously puts to himself this question: "Let us assume that this situation factually speaking were shaped up for litigation and presented to the Court. How would the Court decide it?" And thus every lawyer in advising a client obviously, more or less, is somewhat of a prophet.

Now, if the National Collegiate Athletic Association as a client, which it is not as far as I am concerned, were to come to me as a lawyer and tell me:

"Today we are confronted with this factual situation, this is what we plan to do. We either plan to carry on a restricted television program such as that we have had during the last year."

Or even if they said to me "We have the plan to completely bar all live television. Would we be running a serious risk of being prosecuted successfully by the U.S. Department of Justice?"

Although I don't pretend to be an expert in the field of anti-trust, or in constitutional law generally, I have given not a little thought to this matter. I have talked about it with a good many men, all over the United States, men who were distinguished law teachers, men who were distinguished at the bar, with very large practice and experience in anti-trust litigation, and to very distinguished judges, who have had occasion to sit in many of these anti-trust cases. On the basis of my own study, on the basis of what I have learned from them, I would have no hesitancy in saying to the N.C.A.A. as my client "You are not running any great risk in going ahead."

Now I recognize as every lawyer must that there isn't any law suit that is a dead certainty. There is always the possibility, but I would say that the chances were not merely 50-50 in this situation. I don't think I am overstating it when I would say that the chances are at least five to one.

I am not particularly alarmed by the fact that the Department of Justice has interested itself in this matter. After all the Department of Justice, as an arm of the government, is peculiarly susceptible to political pressures and there are plenty of politicians over this land who see in this television situation the chance, as they think, to further their own political fortunes and there isn't any question that they have exerted a lot of pressure on the men in the Department of Justice.

I don't know whether the Department of Justice would institute a suit against the N.C.A.A. if we were to go through

with this program or even if we were to completely ban television. But I am perfectly willing as far as one person is concerned, to take a chance because I think we would win the lawsuit.

Now Mr. Murray quoted from a letter which was addressed to Mr. Rauh. It was from Mr. Morison, I believe, in which he said he wanted it distinctly understood the Department of Justice had not approved the legality of the N.C.A.A. Plan. That is a far different thing from saying that the Department of Justice had concluded to disapprove it. I would emphasize what was said by Mr. Rauh, in regard to the appearance of Mr. Epes on the behalf of the Department of Justice in this case in Philadelphia. If he is a lawyer worthy of being on the payroll of the Department of Justice, of course he should have taken the position he took when those questions were put to him by the Court. He is there as an advocate in the hope that ultimately he will win that lawsuit.

So in conclusion let me say simply this, that when the time comes as far as this Association is concerned to vote on this television matter, I hope you will feel perfectly free to vote your convictions on it, on its merits, without any fear or consideration being given to the legal aspects. If we have to face a lawsuit, well worse things than that have happened. You can always sue somebody you know. The question is whether or not you are going to win. I can sue my good friend Tug Wilson here for a lot of different things, but the chances are, of course, I'd lose the lawsuit.

CHAIRMAN WILSON: Is there further discussion? Then if there is no further discussion I'd like to call on Tom Hamilton who worked so hard as Chairman of the Television Committee. He has a Resolution to present.

MR. THOS. HAMILTON: After a session of this type I believe it is customary for the Committee, which has partici-

pated in the open forum, to present a resolution to be carried to the floor of the convention at the regular business session.

The Television Committee has prepared such a Resolution and I will present it to the assembly:

"WHEREAS, the preliminary results of the survey of the National Opinion Research Center demonstrate that the N.C.A.A. plan of restricted television for 1951 substantially reduced the adverse effects of television upon attendance at college football games and which had resulted from unrestricted live television in 1950;

"WHEREAS, the preliminary results of the N.O.R.C. survey also demonstrate that the adverse effects of television upon attendance at college football games are still a matter of grave concern and that unrestricted live television would seriously jeopardize the future of college football and of the intercollegiate and intramural athletic and physical training programs dependent upon football; and

"WHEREAS, the report of the N.C.A.A. Television Committee, taking cognizance of the preliminary results of the N.O.R.C. survey and also of the great interest of the public in viewing college football games, has recommended against either the extreme of a complete ban on live television or the extreme of unrestricted live television and instead has recommended in favor of a limited and controlled television program for 1952; and

"WHEREAS, the final results of the N.O.R.C. survey will not be available until March, 1952; and

"WHEREAS, the report of the N.C.A.A. Television Committee stresses the dangers to the game of football if two or three institutions are able to monopolize the television networks and thus obtain financial rewards of such magnitude as to place irresistible premiums on successful teams; and

"WHEREAS, efforts should be continued to find ways to promote the public interest in television without destroying attendance at college football games and the athletic and physical training programs dependent upon football;

"NOW THEREFORE BE IT RESOLVED that the members of the N.C.A.A. agree upon a program of limited live television for 1952, controlled and directed by the N.C.A.A. and having the following objectives:

(1.) To minimize the adverse effects of live television upon attendance at college and high school football games;

(2.) To spread television, within the limits of such controlled plan as may ultimately be adopted, among as many colleges as possible;

(3.) To provide television to the public to the extent consistent with the first two objectives.

"BE IT FURTHER RESOLVED that the 1952 television program shall be worked out by a Television Committee to be appointed by the Council of the N.C.A.A.; that the Committee shall give full consideration to the final N.O.R.C. report when available; and that the Committee shall submit its plan to the membership for adoption by mail referendum vote of two-thirds of those voting.

"BE IT FURTHER RESOLVED that no member institution of the N.C.A.A. shall make any commitments, arrangements or contracts for the televising of college football games for the 1952 season until the adoption of the approved plan and then only in conformity with the provisions of the approved plan.

"BE IT FURTHER RESOLVED that the Committee shall make special efforts to assist the development of pay-as-you-see television and the further extension of delayed television, which hold such great potentialities for the future of college football."

CHAIRMAN WILSON: Do I hear a motion for the approval of the resolution for submission to the Business Session?

MR. AIGLER: I so move.

(The motion was seconded.)

CHAIRMAN WILSON: Is there discussion? If not all those in favor signify by saying "aye." Contrary minded the same. The motion is carried.

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DEFENDANT'S EXHIBIT B-3

Year-end Report

OF THE

1952 N.C.A.A. TELEVISION COMMITTEE

THE
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

I.
DEVELOPMENT OF NCAA TV PLAN FOR 1952

Introduction

Following the NCAA's experimentation in 1951 with various ways and means of limiting the telecast of college football games, Co-Chairman Tom Hamilton and Ralph Furey of the Association's 1951 Television Committee, when presenting their Committee's final report to the Cincinnati Convention one year ago today, made these statements in the light of their year's experience:

> "We confidently believe that a publicly-acceptable program can be developed for the future under which television and college football can live side by side. As the sports public comes to understand the issues, it will recognize the NCAA efforts in this field as the best and only means of protecting the physical well-being and physical development of the sons and daughters of the nation."

That the Association concurred in these views—and that the assembled athletic administrators were convinced that the rapid development of television had created for the colleges a serious problem which could be solved only by employment of some form of limitation upon football telecasting—these facts were established with certainty when the Convention immediately decided by vote of 163 to 8 to adopt a policy of television control for the football season of 1952.

Findings by NORC

Supplementing the studies of the effects of television upon college football attendance which it had made for the 1949 and 1950 football seasons, the National Opinion Research Center conducted a full-scale research project in this area in 1951, its work being expedited by various of the special situations created by different features of the NCAA experimental plan

for that year. Headlining the extensive report of findings submitted by the NORC were the following summarizing statements:

> "Television continued to exercise an adverse effect on college football attendance in 1951. As in 1950, colleges located outside of television areas continued to hold or surpass their pre-television 1947-48 attendance, while those colleges which were exposed to TV competition found their attendance down approximately one and one-half million or 15% from their 'expected' pre-television levels. Attendance is particularly off in those 'heavily saturated' TV areas where 40% or more of the families are set-owners.
>
> "It is clear, however, that the NCAA's 1951 experimental plan of limited telecasting of college games succeeded in reducing television's harmful effects on attendance. In 1950, when there was unrestricted televising of college games, the 'TV differential'—the difference between the relative attendance trends of colleges exposed to television competition and those not exposed—was significantly greater than it was in 1951, when football telecasting was sharply restricted.
>
> "Had unlimited telecasting continued to rule, and the 1950 TV differential remained the same, the loss in 1951 attendance compared to the 'expected' 1947-48 base would have been substantially in excess of two million admissions instead of the actual drop of one and one-half million. In fact, as the proportion of set-owning families rose in TV areas, it would have been reasonable to assume that the 1950 TV differential and the corresponding loss in attendance would have been even greater than the conservative estimate of two million."

Also significant was the following brief review and prognosis incorporated in the NORC report:

> "The history of television's impact on college football attendance can be summarized as follows:

'In 1948: imperceptible, because there were fewer than one million sets installed in the country.'

'In 1949: perceptible but small; still only three million sets.'

'In 1950 (nine million TV sets): substantial attendance declines in television areas in the face of attendance gains elsewhere.'

'In 1951 (close to 14 million TV sets): falling attendance everywhere, but a relatively smaller loss in TV areas with the end of unrestricted telecasting of college games.'

"What the pattern for the future will be cannot now be predicted, except that as saturation remains high and college games are available on TV, actual attendance will certainly continue to be adversely affected. The degree of the adverse effect depends upon factors which are not known at this time. Set-ownership is still expanding rapidly, and when additional areas are opened up to TV-reception, the competition will increase."

The NORC surveys are the only comprehensive attempt to measure statistically the effect of television upon sports attendance. The surveys have stood unchallenged as to their methods of approach and have come under criticism only from self-serving interests who have been unwilling to do more than criticize. Above all, it should be remembered that the NORC was originally chosen for this important work by the four television networks as well as the NCAA and its integrity and capability cannot be challenged.

As the Cincinnati vote demonstrated, the NCAA member colleges were convinced by the NORC's figures that football on the television screens can and does do irreparable damage to live football in the stadiums. In most instances, however, the athletic representatives of these member institutions did not need research and surveys to prove the point for them. They had seen what had happened to their ticket sales since the

advent of TV; they well knew, even before the first scientific studies had been undertaken, that the problem being built up by the new television medium was a real poser and would have to be solved successfully—and speedily—if collapse was to be avoided in the existing structure of intercollegiate football.

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DEFENDANT'S EXHIBIT B-4

Year-end Report

1953 N.C.A.A. TELEVISION COMMITTEE

THE
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

I.
DEVELOPMENT OF NCAA TV PLAN FOR 1953

Reason for Being

After a year of varied TV experimentation in 1951, the NCAA in 1952 adopted a survival plan—a plan designed to permit college football's survival despite the widely recognized though not uniformly acknowledged detrimental impact which television had been bringing to bear upon it.

The TV plan adopted and used by the NCAA in 1953 was in many ways similar to the 1952 program, though it contained a number of improvements instituted in light of experience gained in the operation of the survival plan. Its primary objectives were to provide a basis upon which football and television could live with each other throughout this particular year, and to guide the way to some more permanent arrangement under which football and television could continue to live together in the future.

Research Findings

When the operation of the 1952 plan had been successfully concluded, and the NCAA assembled in Washington, D.C., for its ensuing Convention in January, 1953, the member college representatives received interesting but to them not surprising information from the preliminary report of the National Opinion Research Center. They were familiar with and had confidence in the analyses of this agency, for the NORC had been originally selected by joint action of the NCAA and the four television networks to measure statistically the effects of television upon football game attendance, and in conducting a scientific survey of the 1952 collegiate season the NORC had been making a study of this sort for the fourth successive year.

Highlighting the report were the following statements by the NORC research directors:

"... the competition of telecast games continues to hurt college football attendance. For the country as a whole, paid attendance in 1952 was about the same as in 1951, but colleges facing TV competition remained 16 per cent below their average pre-television 1947-48 base, while colleges which were not exposed to television competition drew 10 per cent larger audiences than they did in 1947-48.

"It is extremely significant that under the continued NCAA program of limited football telecasts, colleges with TV competition were generally able to maintain their 1951 levels of paid admissions, despite a 40 per cent increase in television set ownership, and the extension of network television football games to many areas in the south, southwest and mountain states which were not affected by TV competition in 1951. Apparently, the general economic improvement in personal incomes, which further boosted attendance in areas without any television, largely offset the downward pressures of increased TV saturation and the slight decline in student enrollment in TV areas. It should be noted, however, that while the colleges in TV areas did manage to hold to their 1951 levels, they failed to share in the gains recorded where television was not a factor.

"While it is not possible to show precisely what would have been the effect of *unlimited* telecasting of football games in 1952, it is clear that the NCAA *limited* program substantially reduced the losses in attendance caused by television. The figures show conclusively that the presence of television competition hurts attendance. It is obvious, therefore, that the more television, the greater the loss; the less television, the less the hurt. The TV differential under limited televising in 1952 was held about the same as in 1950 under limited telecasting, in spite of the fact that since 1950 the number of TV sets has more than doubled. Without the limited program, it is not hard to estimate what would have happened to attendance.

"In 1950 with unlimited telecasting, we found that colleges in the few heavily saturated areas at that time lost about 13 per cent more attendance than did the average of TV areas. In 1952 virtually all of the TV areas had become heavily saturated. We would thus have expected that with a continued policy of unlimited televising, the TV areas—all other things equal—would have lost 13 per cent of their attendance since 1950. In fact, under the NCAA limited program, these losses have been held to four points. The limiting of college football telecasts during the last two years has thus saved a probable loss of about 10 per cent in attendance in television areas—and this figure is, if anything, a minimum statement because of declines in real income and student enrollment."

"With unlimited telecasting at present saturation level, one can only assume that attendance in TV areas, which will soon include the whole country, would again turn sharply downward."

* * *

"In summary, the preliminary research findings indicate that the second year of limited television has again succeeded in checking the harmful effects of TV competition. Colleges without any TV competition, however, are definitely better off than colleges with even limited TV competition. In view of the generally high saturation in most present television areas, the likelihood is for more stable attendance levels in these areas, assuming that the type of TV competition and other non-TV factors, such as economic conditions, remain about the same."

Continuing in the conviction that the serious problem created for collegiate athletic administration by the more and more clearly demonstrated devastations of TV upon football gate receipts, the NCAA membership, foregathered at the Washington Convention, took action reflecting its confidence in limitation of football telecasting as the best available solution to the problem and the most effective measure for the avoidance of collapse in the existing structure of intercollegiate football.

The delegates voted, 172 to 13, to extend the Association's two-year-old policy of television control through a third season, 1953.

Since the NORC findings were an important factor in bringing about this action, it should be noted once again that this agency's surveys, made at NCAA instigation, embody the only comprehensive attempt thus far undertaken to determine with statistical accuracy the impact of television upon sports attendance. These surveys have stood unchallenged as to their methods of approach and have been attacked only by self-serving interests which were unsuccessful in establishing weaknesses and so could do no more than criticize. Incidentally the validity of NORC research determinations were spectacularly substantiated during this past year when the agency's analyses, prepared for the NCAA, proved to be vitally important defense evidence in the government's suit against the National Football League. This much-publicized litigation is explained in a later section of this review.

The NORC's final report for 1952, released on April 8, 1953, and distributed at that time among the NCAA membership, verified the findings which had been revealed to the Washington Convention, and further underlined the facts (1) that live telecasting of college football games again damaged the gate in 1952 and (2) that this harm was reduced appreciably by the NCAA's exercise of control over telecasting.

Outstanding among the points made by the NORC report were the following:

1. In areas where there was no television competition in 1952, paid admissions were 10.5 per cent better than in the pre-TV years 1947-48, but where TV competition was present attendances were down 16.2 per cent. With 20 million TV sets in operation during the 1952 season, this 26.7 per cent attendance loss due to television would have approximated 40 per cent but for the limitation of telecasting by the NCAA.

2. In 1950, when there were no restrictions on telecasting, the colleges in those areas which already had large numbers of TV sets lost 40 per cent of their "expected" attendance because of TV competition. Under the controlled TV plans administered by the NCAA in 1951 and 1952, these losses were cut at least 13 per cent.

3. As TV set ownership increased, from 3 million in 1949 to 20 million in 1952, the adverse effects on football attendance have also increased, though in 1952 there was evidence of a leveling off in the most heavily saturated areas.

4. More attractive games were harder hit by TV than less attractive games. This was the case because the more attractive games of any college draw the greater number of "marginal" or less interested fans, and the fans in this category are most likely to stay away when substitute game is provided on television.

5. Because large and medium sized colleges also depend on the "marginal" fan, they were hit harder by television than were the small colleges whose attendance is composed largely of students, local alumni, and other regular fans.

6. There was still no evidence in 1952 that the impact of TV on football attendance represents a "novelty effect" which will wear off. On the contrary, all factual experience indicated that attendance losses are not regained after a year's ownership of TV.

7. Television has thus far failed to produce any strong stimulative effect on the box office, and, because of the nature of the college football market, it is not likely to do so in the future.

The 1953 Television Committee believes that, with its final report on the 1952 season, the NORC convincingly completed

its proof of television's jeopardizing threat to college football. It tellingly summarized the case with the succinct statement that "under conditions of heavy saturation and unlimited telecasting . . . television produced a 40 per cent decline in the expected stadium attendance." The Committee feels that continuing statistical studies are essential, but rather for the purpose of providing guidance for the future than as the test of real or potential damage.

The Washington Convention

The proposal for continuation of television restraints in 1953, adopted by the sizeable majority of 172 to 13 at Washington on January 10, 1953, had the following text:

1953 Resolution

Whereas, for the past three years the member institutions of the NCAA have been working together, diligently and democratically, to meet the threat of television to college football and to the athletic and physical education programs dependant upon college football; and

Whereas, the studies made during each of these past three years by the National Opinion Research Center of the University of Chicago have demonstrated beyond any reasonable doubt that television has a serious adverse effect upon attendance at college football games, thus confirming the experience of the NCAA athletic directors and, indeed, the entire sports world; and

Whereas, the member institutions of the NCAA are deeply concerned lest a few institutions monopolize the television networks and thereby obtain publicity and financial rewards which would place irresistible temptations for the development of winning teams; and

Whereas, the provision in the NCAA TV Plan for 1952 which permitted a member institution to appear on a TV network only once during the season, proved an effective means of preventing such monopolization of television; and

Whereas, it is the sense of the member institutions of the NCAA that this one-appearance rule be continued for 1953; and

Whereas, the NCAA TV Plan for 1952 provided the television viewers of the nation with a major college football game every Saturday afternoon during the season while, at the same time, the one-appearance restriction and the geographic spread of games reduced, but by no means eliminated, the adverse effect of television upon attendance; and

Whereas, the public has also had opportunity to witness many games through the increasing use of delayed television, which has gained wide popularity, which holds great potentialities for the future of college football, and which should be encouraged and extended; and

Whereas, subscription television, which may become a reality in the not too distant future, will necessarily have an important bearing on the college football situation, and, if properly supervised, can be operated to football's advantage; and

Whereas, the NCAA must continuously seek to improve its television program so as best to reconcile the interests of the public in viewing college football on television with the interest of the colleges both in attendance and in preventing the monopolization of television by a handful of institutions; and

Whereas, it is the sense of the member institutions of the NCAA to continue to take the middle road between those institutions at one extreme who would ban television completely and those institutions at the other extreme who would,

by rejecting all action, permit the monopolization of television by the very few; and

Whereas, television is a national problem which can only be met by action on a national basis; and

Whereas, the NCAA fully recognizes the overriding importance of the colleges of the nation at all times being in full compliance with the laws of the land and, to that end, the NCAA has obtained the legal opinion of outstanding counsel and of law teachers that its actions have at all times been in full compliance with the laws of the land; and

Whereas, further partial or total clarification of the legal situation with respect to the televising of sports may be expected prior to the 1953 football season and any such clarification should be carefully considered and followed by the NCAA.

Now, Therefore, Be It Resolved that the members of the NCAA hereby agree that there shall be a television program for the 1953 football season to be directed by a Television Committee appointed by the Council of the NCAA and to follow the general spirit and purposes of this resolution as above expressed.

Be It Further Resolved that said Committee shall hold hearings at which all interested persons shall have full opportunity to be heard and to make proposals for the 1953 television program.

Be It Further Resolved that, as promptly as possible after such hearings, the Committee shall work out a plan to go into effect only if it is approved by mail referendum vote of two-thirds of those voting.

Be It Further Resolved that no member institution of the NCAA shall make any commitments, arrangements or contracts for the televising of college football games for the 1953 season until the adoption of the approved plan, and then only in conformity with the provisions of the approved plan.

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DEFENDANT'S EXHIBIT B-5

NCAA

television committee
report • 1954

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

I.
DEVELOPMENT OF NCAA TV PLAN FOR 1954

Continuing Problem

The television problem continued in 1954 to be a reality as far as college football was concerned. The National Collegiate Athletic Association continued during this twelve months to seek satisfactory solution of the problem through the means of a controlled TV program, designed to decrease materially the impact of television upon game attendance and thus to preserve intercollegiate football and its many recognized benefits.

The NCAA 1954 Television Committee—fifth of these bodies to be appointed by the Association for a one-year tenure—received assignment to devise a plan which would take all phases of the problem into account, and would achieve the most effective possible solution to it. The plan which was developed in consequence, and which was accepted and followed by the member colleges, was not put forward by the Committee as the final and definitive answer to all of the many vexing questions involved in the television of sports, and particularly of college sports. But the Committee did consider the 1954 Plan—in its conception and in its execution—the right palliative for television ills as they existed in 1954.

Research Findings

With the experiences of the 1953 football season still freshly in mind, the NCAA gathered in Cincinnati, Ohio, in January, 1954, for its annual Convention. Because consideration of television matters was an important feature of the meeting's agenda, the member college representatives were especially interested in the preliminary report submitted by the National Opinion Research Center. This announcement was the first indication by this agency of the results of its 1953

survey of TV's impact upon college football, the fifth annual investigation of this type undertaken by the NORC since its selection by joint action of the NCAA and the four television networks as the organization best qualified to study and measure the effects of football telecasts upon football game attendance and gate receipts.

Significant contents of the report were the following statements by the NORC's research directors: ". . . it had already been proved in previous seasons that the impact of television upon college football is severe and that TV competition is damaging to game attendance . . . The TV Committee nevertheless decided to engage the NORC to continue its investigations in 1953, because of the belief that it is desirable to have available for purposes of check and comparison accurate informative figures covering the entire period of the NCAA's supervision of football television. However, the major emphasis of the NORC was this year shifted away from research aimed at measuring the hurt from television toward the study of long-range effects of TV competition, patterns of attendance, and the like . . . We believe this is the first systematic study of what a national sample of football fans actually do and think during the course of a season . . . total college football ticket sales eased off an additional two percentage points during the 1953 season, to register a 9 per cent decline from the pre-television base years of 1947-48. This attendance decline undoubtedly resulted from the extension of television ownership to over 6½ million additional U.S. families, making a total of over 26 million sets outstanding, and from the availability of network TV programs (including the football game-of-the-week) in many new areas. If not for television, one would have expected football admissions to increase during 1953, for other factors were generally favorable . . . colleges without televised football competition reported a 9.3 per cent gain over their 1947-48 (pre-television) base year attendance, while colleges in TV areas reported an 18.4 per cent decline

from their pre-television levels. The 'TV differential' for 1953, therefore, amounted to 27.7 per cent, approximately one point higher than it was in 1952. This TV differential of 27.7 per cent represents the loss in ticket sales in 1953, attributable to televised football competition under the NCAA plan. It had previously been estimated by NORC that the differential under a policy of unlimited television would have been at least 40 per cent, and quite probably more, under existing widespread television set ownership. The attendance preserved by the restricted program of 1953 would thus appear to have been at least some 12 or 13 per cent of the total attendance in television areas."

With this substantiation of the convictions which they had gained from the experiences of their own colleges, the NCAA member institutions' delegates, assembled at the Cincinnati Convention, concluded that TV, though its damages had been somewhat lessened, was still an active threat to the welfare of intercollegiate football. They decided that, because the policy of television control had apparently succeeded in decreasing those damages, limitation of football telecasting was still the best means of protecting the college game's future. Accordingly, they voted, 172 to 9, to continue the control policy through 1954.

The NORC's final report for 1953, released on April 22, 1954, and distributed among the NCAA membership, confirmed the findings which had been brought to the attention of the Cincinnati Convention. Its basic theme, like that of the 1952 report was (1) that live telecasting of any college football games hurts attendance at most or many stadiums but (2) that this hurt is reduced considerably by the exercise of control over such televising.

Highlights among the points made by the NORC report for 1953 were the following:

1. "The adverse effects of television on college football attendance have been amply demonstrated in the four previous reports of this series."

2. "In 1950, the last year of uncontrolled television, the damage to attendance was almost as great with 9 million TV sets in operation as it was under controlled TV conditions with 26 million sets in operation last year."

3. "The 1953 figures can be summarized as follows: Given the current economic conditions, student enrollments, etc., college football attendance would have been 9 per cent above the 1947-48 levels, had it not been for TV competition. But where TV competition was present (which in 1953 was almost everywhere), attendance was almost 19 per cent below the 1947-48 levels. The difference of 27.7 per cent represents the harmful effects of television. It should be noted that the differentials reported in the last three years have occurred in spite of the NCAA's program of limited TV, a program which restricts the number of telecasts in any area to one per week, which prevents any one team from appearing on television more than once per season, and which apportions the limited number of telecasts available among teams from all parts of the country. There is no way of calculating precisely what the TV differential would now be under a policy of unlimited televising such as prevailed in 1950, but some hint can be obtained by a study of that year's experience. Nationally only 9 million TV sets were in operation that year, in contrast to the 26 million which had been sold by 1953. But among colleges in areas where TV ownership was already 'heavy' in 1950, the TV differential was 40 per cent. With most of the country now at the 'heavy' TV ownership level which was then characteristic of those areas, it is reasonable to assume that if the unlimited TV policy of 1950 were in effect today the national differential would be at the 40 per cent level instead of the 27.9 per cent which we actually find. Even such a calculation does not take into account the increased number of television stations, so that a fan who in 1950 had a choice of only one or two games on his local stations might now have a choice

of four or five in many areas. It is clear that the NCAA policy of limiting the amount of televised football has saved many colleges from losses which would force them to abandon the sport entirely."

4. "The 1953 research confirms the view that televised competition, when controlled as it has been during the last three seasons, has now exerted its maximum effect. If the present type of TV schedule is maintained, average attendance should hold relatively stable at the present levels, barring sharp changes in the economic situation. This does not mean, however, that the 27 per cent attendance loss to television will be soon regained, or that fans 'will return to their normal habits' now that they've enjoyed TV for a number of years, and start flocking back to the stadiums. That attendance is lost, and it will take many years of population and income growth to regain it."

5. "In the absence of television, college football, which attracted over 15 million paid admissions in 1947 and 1948, could have looked forward to a 10 per cent increase over those figures as a result of population and income gains. Such increases have actually been registered in areas outside the range of TV. But instead college football has to settle for attendance well below the 1947-48 base years—and even this reduced gate, only by assuming a continuance of some form of controlled TV."

6. There was no indication that the "novelty effect" of TV, hypothesized by some researchers in 1949, has worn off. This latest survey revealed exactly the opposite development. In 1953, 69 per cent of one-year set owners attended no games; 73 per cent of two-or-three year set owners attended no games; 84 per cent of four-or-more-year set owners attended no games. Thus persons for whom television is an old story have not "returned to their normal habits." "Actual findings are completely contrary to the 'novelty theory'."

7. Of the fans interviewed — all of whom claimed some interest in college football — only 20 per cent actually attended games during the 1953 season compared to 66 per cent who watched them on TV. And of those who attended, 60 per cent went to only one game, 20 per cent to two games, and 20 per cent to three or more games.

8. By far the large majority of fans, 62 per cent, confined their actual attendance to within a 100-mile radius of their home town. An additional 34 per cent attended only within their NCAA district, and only 6 per cent of the fans traveled to another NCAA district to see a game. This overwhelming concentraton of attendance within each fan's NCAA district indicated that regional telecasts might provide harmful direct competition to gate sales.

In its patterns-of-attendance studies, the NORC made the following discoveries as it sought through series of interviews with a sizeable sample of acknowledged football followers to determine just what it is that makes a fan tick:

1. Despite the keen desire of a football fan to see his *favorite* team in action, *local area* teams have even more appeal on the average than do *own college* teams; perhaps surprisingly, both these considerations are of greater importance to *most* fans than caliber of play.

2. Most attendance decisions are made early. (Thus preseason publicity is of greater value than week-of-the-game appeals.)

3. Eighty-five per cent of the country's population lacks the main incentives (affection and other ties) for attendance at *collegiate* athletics. (Non-collegians are therefore hard to convert into ardent devotees.)

4. It is difficult to make new fans among the adult public, most football followers developing their interest prior to age 21. (The fan of tomorrow must be intrigued in his younger years.)

5. In 1951 interviews showed that one fan in a hundred had gained his football interest through television; in 1953, following great TV expansions and intervening telecast of many exciting football games, one fan in a hundred indicated that he had gained his football interest through television. (Limitation of TV can check attendance losses, but athletic directors must look outside the medium for means of acquiring attendance gains.)

6. Though most football followers go less frequently to the stadium when televised football is available, TV's biggest casualty is the fan who used to attend one game a year but now attends none. (Many a fan in this category now indicates that he expects to watch televised football "almost every Saturday".)

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DEFENDANT'S EXHIBIT B-6

NCAA

television committee
report • 1955

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

I.
DEVELOPMENT OF N.C.A.A. TELEVISION PLAN FOR 1955

Chronic Problem

The year 1955 was similar to the years immediately preceding it in that it found the television problem still plaguing college football. The National Collegiate Athletic Association, continuing to recognize and respect this problem in its magnitude, continued also to recognize and accept responsibility for the achievement of an early and effective solution. As the means of accomplishing such end the Association continued to use a specific plan for the limitation and control of telecasts of intercollegiate football games; concurrently, it continued to seek improved methods for this supervisory operation, and new means of acquiring protection and providing promotion for football on the campus.

The 1955 NCAA Television Committee—sixth of these agencies to be appointed by the Association for a one-year term—received an assignment to compose a plan which would take all elements of the television problem into account, and would attain as complete a solution to it as possible. The plan which was devised in consequence, and which was accepted and followed by the member colleges, did not allow the Association to stand pat on its 1954 setup, despite the fact that the arrangements in that year had produced satisfactory results and had gained wide public acceptance. Instead this 1955 Plan introduced innovations intended to better the whole operation. The Committee did not construe the resultant system of checks and balances as the ultimate answer to the many puzzling questions raised by television's entrenchment in the college sports program, but it did consider this Plan an effective means of meeting the particular over-all situation which presented itself in 1955.

Research Findings

The experiences of the 1954 football season were very much in mind as the NCAA assembled in New York City in January, 1955, for its annual Convention. As it had been each year since 1949, television was an important item on the meeting's agenda; and so the member college representatives were especially interested in the report there submitted by the National Opinion Research Center. This review and analysis embodied the results of this agency's 1954 survey of television's impact upon college football, the sixth annual investigation of this type undertaken by the NORC since its selection by joint action of the NCAA and the four television networks as the organization best qualified to study and measure the effects of football telecasts upon football game attendance and gate receipts.

Highlighting the contents of the report were the following statements by the NORC's research directors:

1. "The five previous reports in this series have documented the effects of television on college football attendance since the 1949 season: heavy attendance losses in 1950 under a policy of unlimited television in spite of a relatively small number of television sets; a slackening of the expected rate of loss in subsequent years, as a result of the NCAA program of limited television; and a general stabilizing of attendance trends at lower levels as television ownership approaches universality."

2. "The findings bring up to date our understanding of what has happened to football ticket sales during the television era."

3. "Reversing the downward trend of the past four years, college football ticket sales increased about a third of a million during the 1954 season to register a 2.5 per cent gain over 1953. This rise in attendance advanced total paid admissions in 1954

to an estimated 14,091,000 which was almost equal to the 1952 level but still 1,157,000 below the pre-television years of 1947-48."

4. "It should be noted that this small rise in attendance during the past year occurred despite a further increase of almost 6 million new television sets during 1954. As predicted in our previous reports, the maximum harm of limited television competition was probably reached in 1953, when practically every football fan already had ready access to a television set."

5. "It should be emphasized that the stabilization of attendance levels, and the slight upturn in 1954, have occurred under a limited television program, and that college football attendance—in spite of vast population and income gains—still remains well below the pre-television peaks. Given the same general kind of limited television programs in future years, the outlook is for continued stable attendance trends, rising upward if the economy continues to flourish. Were the present limited television program to be replaced by wide-open televising of major games, or by any other program which would substantially increase the number of top games available locally on television screens, all evidence indicates a further adverse effect on attendance levels generally."

With this verification of the convictions to which they had held because of the experiences of their own colleges, the NCAA member institutions' delegates, assembled at the New York City Convention, concluded once again that television, though its damage had been considerably lessened, was still definitely harmful to the welfare of inter-collegiate football. They decided that, because the policy of television control had seemingly succeeded in decreasing this hurt, limitation of football telecasting was still the best means of protecting the college game's future. Accordingly, they took action, with a strongly convincing voice vote, to continue the control policy through 1955.

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DEFENDANT'S EXHIBIT B-7

NCAA

television committee
report • 1956

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

I.
DEVELOPMENT OF N.C.A.A. TELEVISION PLAN FOR 1956

The Problem and Its Attack

The National Collegiate Athletic Association continued in 1956 to cope with the television problem which is chronic with college football. It continued to seek and move toward a final solution for this problem. To serve these purposes the Association continued to use a definitive plan for the limitation and control of telecasts of inter-collegiate football games.

The 1956 NCAA Television Committee—seventh of these agencies to be appointed by the Association for a one-year term—received an assignment to compose a plan which would take all elements of the television situation into account, and would resolve them as fully as possible. The plan which was devised in consequence, and which was accepted and followed by the member colleges, was patterned very closely after the well received format of 1955, with only a few modifications introduced to improve the over-all operation. The Committee viewed this plan as a satisfactory system of checks and balances with which to meet the needs of 1956 and on which to build for the future.

Research Findings

The experiences of the 1955 football season were very much to the fore as the NCAA gathered in Los Angeles in January, 1956, for its annual Convention. As it had been each year since 1949, television was an important item on the meeting's agenda; and accordingly the member college representatives gave particular attention to the report there submitted by the National Opinion Research Center. This review and analysis embodied the results of this agency's 1955 survey

of television's impact upon college football, the seventh annual investigation of this sort undertaken by the NORC since its selection by joint action of the NCAA and the four television networks as the organization best qualified to study and measure the effects of football telecasts upon football game attendance and gate receipts.

Prominent in the contents of the report were the following statements by the NORC's research directors:

"Continuing the modest gains begun a year ago, college football ticket sales during the 1955 season totaled almost a half million more than 1954, to register a gain of 3.3 per cent. This rise in attendance advanced total paid admissions during the past season to an estimated 14,556,000, which was just above the 1951 level but still almost 700,000 below the pre-television years of 1947-48."

"It should be noted that the modest rise in attendance during the past year occurred despite a further increase of 4 million new television sets during 1955. As predicted in our previous reports, the maximum harm of *limited television competition* was probably reached in 1953, when practically every football fan already had easy access to a television set."

"It should also be emphasized that the upturn in ticket sales in 1955 occurred under a limited television program, and that college football attendance—in spite of vast population and income gains—still remains below the pre-television peaks. Were the present limited television program to be replaced by wide-open televising of major games, or by any other program which would substantially increase the number of top games available locally on television screens, all evidence indicates a renewed adverse effect on attendance levels generally."

"There can be no reasonable doubt that telecast football games which provide fans with 'free 50-yard line seats' seriously affect ticket sales."

"The over-all findings for 1955 clearly confirm the 1950 experience that games facing no televised competition at all consistently have the highest ticket sales."

"Games played without any television competition are hurt the least, while games facing regional telecasts are hurt more than those played against non-regional telecasts. The 1955 attendance reports indicate that had it not been for the increase in regional telecasts, over-all gains in ticket sales would have been greater; and had it not been for the increase in 'black-out' situations, the over-all attendance gains would have been lower."

In light of these and their own observations and conclusions, the NCAA member institutions' assembled delegates concluded once again that television, despite its decreased damage, still threatened the welfare of intercollegiate football. They decided that, because the now long-established policy of television control had contributed materially to the lessening of possible hurt, limitation of football telecasting was still the best means of protecting the college game's future. Therefore, they took action extending the control policy through 1956.

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DEFENDANT'S EXHIBIT B-8

NCAA

television committee
report • 1957

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

I. DEVELOPMENT OF 1957 N.C.A.A. TELEVISION PLAN

The Problem and Its Disposition

The National Collegiate Athletic Association continued in 1957 to deal successfully with the television problem which is—and according to all signs will be in the future—chronic with college football. It continued, nevertheless, to strive diligently for a final solution to this problem. In these connections the Association continued to use a well delineated plan for the limitation and control of the telecasts of intercollegiate football games.

The 1957 NCAA Television Committee—eighth of these agencies to be appointed by the Association for a one-year term—was charged with the responsibility of designing a plan which would take all features of the television situation into account, and would make provision for each of them as fully as possible. The plan which resulted, and which was accepted and followed by the members colleges, was modeled very closely upon the well-received 1956 arrangement, with only a few adjustments undertaken to increase its over-all effectiveness. The Committee judged this plan to be a satisfactory apparatus, embodying checks and balances with which to meet the requirements of 1957 and with which to prepare for the future.

Research Findings

Attending delegates were mindful of the experiences of recent football seasons as the NCAA gathered in St. Louis in January, 1957, for its annual Convention. Television occupied its usual important place on the meeting's agenda; and accordingly the member college representatives gave particular attention to the report submitted by the National Opinion Research Center. This review and analysis reflected the results of this

agency's 1956 survey of television's impact upon college football, the eighth annual investigation of this sort undertaken by the NORC since its selection in 1950 by joint action of the NCAA and the then four television networks as the organization best qualified to study and measure the effects of football telecasts upon football game attendance and gate receipts.

Salient in the contents of the report were the following statements by the NORC's research directors, who in determining their findings made use of attendance figures compiled by the National Collegiate Athletic Bureau, the NCAA's statistical and publishing branch:

"Paid attendance at college football games scored an additional gain of almost 5 per cent during the past season on its steady climb back to the pre-television levels of 1947-48. Over a half million additional tickets were sold during 1956 to push paid admissions over the 15 million mark for the first time since 1950. Total attendance is now within 2 per cent of the 1947-48 average.

"This recouping of attendance losses bears out the predictions made in Reports No. 6 and No. 7. As the basic underlying factors of student enrollment and national income maintain their recordbreaking rate of growth and the type of limited television competition remains the same, it is to be expected that football ticket sales will also soon establish new records.

"This does not mean that the harmful effects of even limited television competition have been finally eliminated. It does suggest that they are being neutralized by the upward pressures of a prosperous and growing economy. During the past year, student enrollment at NCAA football-playing colleges advanced an additional 6 per cent to surpass the 1947-48 level. The student body at large colleges is now only one per cent below pre-television enrollment while small colleges are already more than 7 per cent above pre-television years.

Furthermore, disposable personal income, which is closely related to all consumer spending, expanded about 5 per cent during the past year and is now almost 60 per cent greater than in the 1947-48 base years. Consequently, if there were no harmful effects of television competition, total ticket sales could be expected to be well above the pre-television years. Actually, as we see, they are only just approaching those levels.

"It should also be remembered that this delayed revival of paid admissions is occurring under limited television competition. Were the present NCAA program to be replaced by wide open televising of top local games, all evidence indicates a renewed and substantial adverse effect on attendance.

"While there is no way of calculating precisely what the television effect would now be under a policy of unlimited televising such as prevailed in 1950, some hint can be obtained by a closer look at that year's experience. Nationally, only 9 million television sets were in use that year, in contrast with over 36 million in 1956. In 1950, most colleges in television areas faced a situation in which only one family in three owned a television set; today television sets are found in an average of three out of four homes. In 1950, only a few of the television areas could be considered 'heavily saturated,' while today practically all television areas report set ownership among more than half the families.

"If we look, however, at the 1950 experience of colleges in areas where television ownership was already 'heavy,' we find that their television differential was at the level of 40 per cent, instead of the 28 per cent we found nationally in 1953—when all areas were heavily saturated, but the televising of games was strictly limited. It is reasonable to assume that if the same televising conditions prevailed as in 1950, the current 'heavy saturation' of television ownership would produce this same 40 per cent attendance differential attributable to television. But even this calculation does not take into account the increased number of television stations, so that a fan who in 1950 had a

choice of only one or two games on his local stations now would have a choice of four or five in many areas."

"This report concludes 10 years of football attendance analysis. By next year, if student enrollment and national income continue to grow, over-all attendance should exceed the 15,250,000 recorded in 1947-48. It will then be advisable to shift the base years from 1947-48 to a more recent period. During the past ten years, some colleges have de-emphasized their football programs, while others have built new stadia and increased their emphasis on football competition. These long-term changes tend to distort comparisons of attendance in recent years with average attendance during a distant base period. It is fortunate, therefore, that changes from the pre-television base years will be of reduced interest and that a more recent base period can be established for future analyses."

In light of these and their own observations and conclusions, the NCAA member institutions' assembled delegates decided once again that television, despite its decreasing damage, still threatened the well-being of intercollegiate football. They concluded that, because the now well-established policy of television control had contributed appreciably to the lessening of possible hurt, limitation of football telecasting was the only practicable and available means of protecting the college game's future. Therefore, they took the steps necessary to extend the control policy through 1957.

* * *

PLAINTIFFS' EXHIBIT 2

Official Interpretation

Adopted by the NCAA Council April 17, 1981

"The Association shall control all forms of televising of the intercollegiate football games of member institutions during the traditional football season as defined in O.I. 307. The terms or principles of the control shall be set forth in a television plan or program which periodically shall be prepared by the Football Television Committee, approved by the NCAA Council for submission to the membership by a mail referendum and approved by at least two-thirds of the members voting in such referendum, a procedure which has been followed by the NCAA membership on a regular basis for approximately 30 years. Any commitment by a member institution with respect to the televising or cablecasting of its football games in future seasons necessarily would be subject to the terms of the NCAA Football Television Plan applicable to such season. [B11-3-(aa)]."

PLAINTIFFS' EXHIBIT 84

The National Collegiate Athletic Asociation

President
JAMES FRANK
Lincoln University
Jefferson City, Missouri 65101

Executive Director
WALTER BYERS

Secretary-Treasurer
JOHN L. TONER
University of Connecticut
Storrs, Connecticut 06268

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Michigan State University
DONALD M. RUSSELL
Wesleyan University
P. LAVERNE SWEAT
Hampton Institute
KENNETH J. WEITER
Central College (Iowa)

April 17, 1981

Mr. James Frank, President
National Collegiate Athletic
Association
Lincoln University
Jefferson City, Missouri 65101

Dear President Frank:

This is a request on behalf of the NCAA Football Television Committee for authorization from the NCAA Council to seek approval from the NCAA membership for the committee to negotiate with interested buyers for sale of television rights to college football games for the 1982 and 1983 seasons (and possibly one or two years beyond) on the basis of the principles set forth below.

As was the case in 1977, the television committee recommends that the membership be asked through a mail referendum procedure to act upon a set of controlling principles by which the committee will be guided in consummating the sale of rights.

Considering the necessary complexities of the television program and the everchanging conditions of the television industry, the committee is convinced it must maintain reasonable flexibility if it is to achieve the objectives established by these principles. The implementing details of the principles will be established during resultant negotiations.

1981 EXECUTIVE COMMITTEE
PRESIDENT
SECRETARY-TREASURER
ERNEST C. CASALE
Temple University
LINDA K. ESTES
University of New Mexico
J. WILLIAM GRICE
Case Western Reserve University
ROBER C. JAMES
Atlantic Coal Conference
HENRY T. LOWE
University of Missouri, Columbia
SEAVER PETERS
Dartmouth College
ROBERT T. RIEDEL
State University College, Geneseo
CHARITY SCOTT
University of Alabama
JOE L. SINGLETON
University of California, Davis
MARY ZIMMERMAN
University of South Dakota

With the distribution of cable television signals by satellite and, more recently, the development of a growing number of pay television stations, many options are presented for the consideration of college football interests. During the past several months, the NCAA Football Television Committee has intensified its acquisition and study of data about the NCAA series, compiled extensive information concerning developments in the television industry, met with representatives of Divisions I-A and I-AA football-playing conferences to solicit their suggestions and met with representatives of most of the nation's major communications companies. Significant information also was obtained from a survey of the NCAA membership. The highlights of the responses were printed in the March 31, 1981, issue of the NCAA News.

Based upon the information gathered as indicated above and its observation of the series over the past several years, the committee has concluded that the series of Saturday afternoon telecasts should be presented on two national networks. It believes the additional promotion of college football and competition between two networks in all aspects of presentation of the series will be beneficial to college football. It also is interested in taking advantage of opportunities provided by new forms of television, and contemplates utilizing such delivery systems through specialized supplementary programming, probably on Saturday evenings.

An unusual element has been injected into the committee's preparation for the sale of future football television rights. The College Football Association, an allied member of the NCAA, each member of which is an active member of the NCAA, appointed a Television Study Committee which has drafted a television plan similar in structure to that of the NCAA, but markedly different insofar as its purposes, appearance limitations and financial formulas are concerned. Additionally, the CFA Board of Directors, before being aware of the principles finally recommended by this committee, requested CFA member institutions to abstain from voting on the NCAA principles on the premise that those institutions thereby would reserve their football television rights and subsequently be able to operate their own football television program independent of the NCAA's.

The principles developed by the NCAA Football Television Committee envision an ambitious program of football television while at the same time limiting the potential damage to in-stadium attendance which could result from television release of an excessive number of any one institution's games. This recommended program will accommodate: two networks plus a third experimental series for pay television and/or cable television; potentially 140 annual national network appearance opportunities compared to the current 116; five appearances per

institution in two years on the two networks (plus possibly a sixth when playing on a "free" date), and increased appearance opportunities for Divisions I-AA, II and III.

The NCAA Football Television Committee has examined at length the CFA plan and does not believe it serves a useful purpose in behalf of the overall interests of college football. Some of its features, in fact, seem to contradict the expressed interests of the NCAA membership in responses to the NCAA survey previously mentioned.

Accordingly, the committee *unanimously recommends* to the membership the following principles which shall constitute the policy and program for the football television activities of member institutions during the 1982 and 1983 college football seasons (and possibly 1984 and 1985):

Principles

1. The purposes of the program and any detailed plan or agreements devised thereunder shall be to reduce insofar as possible the adverse effects of television in its various forms upon football game attendance and, in turn, upon the athletic and related educational programs dependent upon the proceeds therefrom; to spread football television participation among as many colleges as practicable; to reflect properly the image of universities as educational institutions; to promote college football through the use of television; to advance the overall interests of intercollegiate athletics, and to provide college football television to the public to the extent compatible with these other objectives.
2. The NCAA shall control all forms of live and delayed television (including cable transmission) of intercollegiate football games of NCAA member institutions during the fall season as defined in Official Interpretation 307 (the traditional fall football season). The terms of such control in 1982 and 1983 shall be from September 1 through the

second Saturday in December each year. It shall be exercised by the NCAA Football Television Committee subject to these principles and subject to approval of the 1982-1983 Football Television Plan (which shall contain the implementing details) by at least a two-thirds majority of the NCAA Council present and voting.

The television committee also shall have authority to control television and award such rights for an additional one- or two-year period if this is deemed necessary or desirable in the interests of the program, but it first must obtain approval of the NCAA Council and such approval shall be subject to at least a two-thirds majority of those Council members present and voting.

3. The NCAA Football Television Committee shall award to two national networks (or other qualified organizations) appropriate rights for the live telecasting of college football during the indicated periods of control consistent with Principles 1 and 2 above. It also intends to initiate a supplementary series of live presentations of college football games via such media as cable television and/or pay over-the-air television and award appropriate rights therefor subject to such terms and conditions as the television committee shall determine are appropriate.

4. Contracts for all rights awarded pursuant to Principles 2 and 3 shall be signed for the NCAA by the Association's executive director after approval by the Football Television Committee and the NCAA Council. Such rights contracts in each instance shall specify the guaranteed aggregate compensation to be paid by each buyer of rights to the participating colleges for the games telecast (or cablecast) each season, and shall provide that each party awarded a rights contract shall contract individually and directly with member colleges for television rights and appearances under such terms and conditions and for such compensation as may be agreed upon, consistent with and

subject to the provisions of the 1982-1983 Football Television Plan to be adopted as herein set forth. The right to contract with respect to certain games may be apportioned between or among the buyers of rights if found to be necessary or desirable.

5. No member institution may make any arrangements for any form of live or delayed football television during each of the regular football seasons covered by these principles which are not in accordance with these provisions and the terms of the NCAA Football Television Plan as finally approved by the NCAA Council under Principle 2, and without the prior consent of its opponent institution.

   Any commitment by a member institution with respect to the televising of its football games in future seasons shall be subject to the terms of the NCAA Football Television Plan as shall be applicable to such seasons, regardless of whether such plan has been adopted at the time any such commitment is made.

6. The NCAA shall offer for sponsored national network telecasting Saturday afternoons during each of the fall football seasons covered by these provisions two principal series of college football programs, and the network carrying each series shall provide complete live coverage throughout the United States on each series date each year. National and regional telecasts shall be required in ratios determined by the NCAA Football Television Committee.

7. A goal of the television committee shall be to maximize team appearance opportunities. During each fall season, each national network shall be required to present a specified number of "exposures" (i.e., the release on a single date of a live game telecast into each television market on the basis of national distribution) of NCAA football. Carriers of any supplementary series will be required to meet similar criteria.

The following analysis of team appearance opportunities may be projected. Based on 12 to 14 exposures for each of two national networks, each Saturday afternoon series would present each season a minimum of 60 to 70 (120 to 140 counting both networks compared to the present plan's 116) team appearances. A team appearance is one team's participation in one televised game. [The 70 team appearances, for example, would be achieved by presentation on one network of seven national exposures (one game per exposure) and seven regional exposures with three to six games per exposure.]

8. The telecast of a series game shall not be blacked out in the area in which the game is played.

9. The new football television plan shall contain standards of presentation controlling the commercial format and commercial sponsors participating in the series. It shall restrict the available commercial time to 22½ minutes per telecast in no more than 21 positions, station breaks to two per telecast and the time granted the carrying network for promotional announcements. It shall be required that college football telecasts on the national networks, or as a part of the supplemental series, shall include time reserved for the participating institutions and higher education in general, consistent with the procedures followed in 1980 and 1981.

10. The following institutional appearance opportunities shall be utilized for the two national network series for the 1982 and 1983 seasons: An institution shall be limited in the two-year period to two national appearances and three regional appearances, with not more than one national and not more than a total of three appearances to occur in one year on the two series. In addition, depending upon the number of exposures finally negotiated, each carrying network on one occasion each year possibly could use one

of the dates listed in Article 14 of the 1978-1981 Football Television Plan for a "free appearance" presentation, which could be either a national or a regional appearance but not more than an institution's third appearance in a given year. No team could benefit from such a "free" appearance, if authorized, more than once during the two-year period. Appearance opportunities may be apportioned between the two national networks if this is found to be necessary or desirable.

Appropriate appearance opportunities for the supplementary series shall be determined by the committee subsequent to the conclusion of negotiations for the national network series. It is anticipated that at a maximum the appearance rule cited in the preceding paragraph would apply to the supplementary series in combination with the national series; however, the appearance rule for the supplementary series may be more limited.

11. No member of Division I-A football shall be guaranteed any appearance on the different series. Based upon the maximum team appearance opportunities described in Principle 7, each allied football-playing conference (5) of Division I-AA Football shall be guaranteed a minimum of two appearances on the national series during the two-year period of the plan and, based upon the current division membership, Division I-AA Football members shall be guaranteed 12 such appearances during the two-year period of the plan, with the 10 appearances guaranteed to the Division I-AA conferences to count against this minimum.

12. Television opportunity for Divisions II and III member institutions shall be required. At a minimum, the regular-season telecasts would be three for Division II and two for Division III on each national network series per year. NCAA Divisions I-AA, II and III Football Championship games would be televised as provided in the present plan.

13. The 1978-1981 Football Television Plan sets forth regulations pertaining to telecasting dates for the series and the series format (Articles Five and Six); exception telecasts and cablecasts for Divisions I, II and III games (Articles 16 and 17); educational television, closed circuit television and delayed telecasts or cablecasts (Articles 18, 19 and 21); mandatory supporting programs (Article 22); members' rights (Article 24); assessment upon receipts (Article 25), and other matters pertinent to the administration of the national football television series. Provisions similar to those of the 1978-1981 plan governing these items shall be a part of the 1982-1983 plan.
14. The new plan will contain an Article 16 governing exception telecasts by Division I members which reflects the current conditions of the television industry and which provides equitable opportunity for all electronic media to obtain rights to present exception telecasts on those occasions when no "appreciable damage" will be done to gate attendance at any concurrently played game (see Article 16 of the 1978-1981 NCAA Football Television Plan for definition).
15. The Football Television Committee shall report the results of its negotiations under the terms of the principles stated herein to the NCAA Council and any resulting contracts shall not become binding upon the NCAA and its member institutions until approved by the NCAA Council by a favorable vote of at least two-thirds of the members present and voting; furthermore, after such ratification has been obtained, the full details of the NCAA Football Television Plan for 1982-1983 (and 1984-1985, if authorized), as fully approved by the NCAA Council, shall be forthwith distributed to all members of the Association.

The NCAA Football Television Committee is unanimous in strongly supporting these recommendations and believes they fairly balance the competing interests recognized in Principle 1. We urge the membership's approval of these controlling principles.

Sincerely,

/s/ Wiles Hallock
FOR THE NCAA FOOTBALL TELEVISION COMMITTEE
WILES HALLOCK, Chair, Pacific-10 Conference District 8
District 1 Robert A. Seiple, Brown University and Frank B. Ryan, Yale University (Mr. Ryan succeeds Mr. Seiple 9-1-81 and participated without vote)
District 2 John Crouthamel, Syracuse University
District 3 Carl Maddox, Mississippi State University
District 4 Cecil N. Coleman, Midwestern City Conference and Hugh D. Hindman, Ohio State University (Mr. Hindman succeeds Mr. Coleman 9-1-81 and participated without vote)
District 5 Edwin B. Crowder, University of Colorado
District 6 Marvin Tate, Texas A&M University
District 7 Joseph L. Kearney, Western Athletic Conference
At-Large Judith R. Holland, University of California, Los Angeles
At-Large Phyllis Howlett, University of Kansas
At-Large Walter Byers, NCAA
I-AA Andrew T. Mooradian, University of New Hampshire
II Bob Moorman, Central Intercollegiate Athletic Association
III Ronald Schipper, Central College (Iowa)

PLAINTIFFS' EXHIBIT 70

The National Collegiate Athletic Association

President
JAMES FRANK
Lincoln University
Jefferson City, Missouri 65101

Executive Director
WALTER BYERS

Secretary-Treasurer
JOHN L. TONER
University of Connecticut
Storrs, Connecticut 06268

April 21, 1981

Chief Executive Officers
Voting Member Institutions and Conferences of
The National Collegiate Athletic Association

Ladies and Gentlemen:

The 1978-1981 NCAA Football Television Plan expires after the 1981 season and it is in the best interests of the Association's football playing members that arrangements for future television of college football be concluded in the near future.

To that end, the NCAA Football Television Committee, in keeping with its assignment under Bylaw 11-3-(aa), has requested the officers to conduct a referendum of the membership to seek approval of the principles and program it has developed under which it would conduct the sale of future football television rights. Any agreement reached with any communications company through this process would be subject to ratification by a two-thirds vote of the NCAA Council before it would become binding upon the members of this Association.

The Council has authorized the officers to conduct such a referendum consistent with the procedures followed by the Association for the past 30 years or so.

Preparatory to offering its recommendations to the NCAA membership, the Football Television Committee obtained the opinions of the membership about the current television program through a survey conducted in January, met with representatives of a number of football-playing allied NCAA mem-

bers February 4-6 and met with representatives of leading television communications and cablecasting companies February 25-26. It believes, therefore, its recommendations are based on the most current information available concerning the attitudes of member institutions, developments in electronic communications and the current value of sports events on television and cable.

Each eligible member institution is receiving, in this mailing, a ballot form to be employed in casting its vote on the recommendations described in the enclosed letter dated April 17, 1981, from the Football Television Committee. Inasmuch as the certification of an institution's voting delegate under NCAA procedures is the responsibility of the chief executive officer, the ballot is being sent to the president or comparable officer of each voting member. Copies of these materials (except ballot) are being sent to each faculty representative and director of athletics.

To be counted, the completed ballot must be received at the NCAA national office either by mail or wired transmission no later than May 8, 1981, subject to the exception printed on the ballot. For adoption, the recommended principles and program must be supported by at least two-thirds of the votes cast in the referendum.

The NCAA Football Television Plan has served the football-playing membership well by adhering to the interrelated objectives of (i) protecting attendance income, (ii) providing reasonable distribution of television appearance opportunities and (iii) producing substantial television income. Admittedly these are competing goals, particularly since 98.6 percent of the 2,417 games (1980 figures) conducted annually by NCAA members are played Saturday, with 75.4 percent (1,823 games) played on Saturday afternoon.

As noted in Mr. Hallock's accompanying letter, the College Football Association's Board of Directors advised its members

to abstain from this referendum on the premise that by so doing those colleges will be reserving their football television rights. This CFA notice, incidentally, was issued before the NCAA television committee had adopted a plan for recommendation to the membership. The NCAA Council (after consulting with legal counsel) can identify no valid premise for such a course of action in light of the history of the NCAA's control of football telecasting since 1951. It believes CFA members would be ill-advised to forego their voting privileges by abstaining.

Abandonment of football television controls, or a splintering of the current program into several competitive programs, surely would be destructive of one or more of the purposes to be achieved by the NCAA program and would be detrimental to all football-playing members. For that reason, the Council urges membership support of the proposals of the Football Television Committee.

Cordially yours,

/s/
James Frank
President

JF:nlm

Enclosures

cc: Faculty Athletic Representatives
Directors of Athletics

PLAINTIFFS' EXHIBIT 71

The National Collegiate Athletic Association

President
JAMES FRANK
Lincoln University
Jefferson City, Missouri 65101

Executive Director
WALTER BYERS

Secretary-Treasurer
JOHN L. TONER
University of Connecticut
Storrs, Connecticut 06268

June 23, 1981

Chief Executive Officers
Voting Member Institutions and Conferences of
The National Collegiate Athletic Association

Ladies and Gentlemen:

Approximately two months ago, at the request of the NCAA Football Television Committee, the Association's Council undertook a mail referendum of the membership on the recommended NCAA football television policy and program for 1982 and 1983. These recommendations were approved as reported in the NCAA News of May 15, 1981. The recommended policies and principles are in full force and effect.

In NCAA President Frank's letter to you at that time (April 21, 1981), it was noted that the College Football Association had urged its 62 institutional members to abstain with notice from the referendum. As a result of questions raised because of the CFA's appeal, the members of the CFA were advised that under the official interpretation of Bylaw 11-3-(aa) duly adopted by the Council on April 17, 1981, any commitment by a member to televise or cablecast its football games in future seasons would be subject to the terms of the NCAA Football Television Plan approved by the members for such seasons. Those members were urged to follow NCAA procedures if they desired changes in the NCAA plan.

The College Football Association, June 7, 1981, adopted a resolution rejecting NCAA television legislation. Although one

of the stated purposes of the CFA is to operate within the structure of the NCAA, the resolution rejected the validity of the above-mentioned official interpretation and authorized the development of a detailed CFA football television plan for consideration by its members. It would seem that some major football institutions within the CFA wish to defy NCAA legislation because of the possibility of increasing their monetary rewards, even though their actions may be injurious to the overwhelming majority of other affected institutions, and even though such actions will be incompatible with their continued good standing as members of the NCAA.

The CFA legalistic arguments to justify this course of action, in our view, have little merit. These arguments demonstrate a lack of understanding of the legislation of the NCAA and the law of voluntary associations, and they reflect confusion between the reservation of property rights and control over the exercise of those rights accomplished by the NCAA Football Television Plan. Beyond that, it appears clear that the NCAA cannot endure as an effective organization controlling intercollegiate athletics if some members are free on their own impulse to determine which rules they will observe and which they will not. There seems to be little difference between the right to televise football independently of an NCAA-approved plan and the right to pay money to student-athletes, or the right to determine the size of a coaching staff or the number of football grant-in-aid recipients. If a member objects to any of those regulations, it has a right to have its objections considered at a Convention which will determine the will of the membership. That member has an obligation to follow established NCAA procedures to resolve such issues to the satisfaction of, and for the benefit of, the membership as a whole.

Members of the CFA brought nothing before the 1981 NCAA Convention concerning the televising of football, whereby its concerns in that regard could have been considered by the members; instead, the CFA waited until after that Convention

to raise for the first time an alleged "property right" to televise football which places it beyond NCAA regulation for future years.

The Council interpretation, based on Bylaw 11-3-(aa) and the 30-year history of NCAA regulation of football television, and specifically authorized by Constitution 6-2, is a complete response to the CFA assertion with respect to the right to televise in future years. CFA members or others will have a right to challenge that interpretation at the January 1982 NCAA Convention and still would have ample time to arrange for the televising of their games for 1982 if the interpretation is not sustained by the NCAA membership. Nevertheless, the CFA seems to reject that established NCAA procedure and has elected instead to declare an official NCAA interpretation to be invalid and presumably to proceed with its own television plan. Far from operating within the structure of the NCAA, the CFA actions seem directed toward reserving to certain CFA members the right to determine national football television policy and disregarding the interests of other football-playing members of the NCAA.

If the CFA is not successful in defeating the official interpretation at the 1982 NCAA Convention and thus preventing the NCAA plan from applying to all NCAA members, then certainly CFA members which ignore or have ignored the interpretation will be subject to the enforcement procedure of the NCAA and its several penalties for violation of the conditions and obligations of membership (Article 4, Section 2, NCAA constitution). CFA actions which might lead to such a conclusion are not ones designed to operate within the NCAA structure.

There is a continuing undertone in the CFA leadership's commentary that only those institutions which are major TV participants should determine national television policies, thus ignoring the equities of a vast number of NCAA members (including a great many in Division I-A) which conduct varsity

football games on Saturday afternoons and evenings. It seems a conscious effort has been mounted to take the decision-making process away from the NCAA membership and its annual Convention by a deliberate attempt to invalidate the approved NCAA Football Television Plan between Conventions.

The NCAA Council, at a meeting June 12, 1981, considered the June 7 CFA decision; reaffirmed its interpretation of Bylaw 11-3-(aa) as circularized to CFA chief executive officers April 18, 1981, and printed in the NCAA News of April 30, 1981, and authorized this communication. The interpretation is reprocuced below for convenience of reference.

THE NCAA COUNCIL

/s/ James Frank
By: James Frank
President and Chair

JF:lls

cc: Faculty Representatives
Directors of Athletics
—Voting Member Institutions

Official Interpretation

Adopted by the NCAA Council April 17, 1981

"The Association shall control all forms of televising of the intercollegiate football games of member institutions during the traditional football season as defined in O.I. 307. The terms of principles of the control shall be set forth in a television plan or program which periodically shall be prepared by the Football Television Committee, approved by the NCAA Council for submission to the membership by a mail referendum and approved by at least two-thirds of the members voting in such referendum, a procedure which has been followed by the NCAA membership on a regular basis for approximately 30 years. Any commitment by a member institution with respect to the televising of cablecasting of its football games in future seasons necessarily would be subject to the terms of the NCAA Football Television Plan applicable to such season. [B11-3-(aa)]."

PLAINTIFFS' EXHIBIT 80

In its August 12-14, 1981, meeting, the NCAA Council adopted the following resolution:

> Whereas, it is clear that a commitment to act contrary to the 1982-1985 NCAA television plan and program constitutes a violation of the conditions and obligations of membership set forth in Constitution 4-2-(a);
>
> Be It Resolved, that the Association's enforcement department is directed to issue official inquiries under the Association's official enforcement procedures to institutions which make, or are reported to have made, such commitments and to proceed promptly with the processing of such cases.

PLAINTIFFS' EXHIBIT 54

The National Collegiate Athletic Association

President
JAMES FRANK
Lincoln University
Jefferson City, Missouri 65101

Executive Director
WALTER BYERS

Secretary-Treasurer
JOHN L. TONER
University of Connecticut
Storrs, Connecticut 06268

MEMORANDUM

August 17, 1981

TO: Members of the Divisions I, II and III Steering Committees.

SUBJECT: Enforcement of 1982-1985 NCAA Football Television Principles and Program.

During the division steering committee meetings in Houston June 11-12, questions were raised as to the enforcement procedures which apply to the NCAA football television plan. This matter was reviewed again by the NCAA Council at its meeting of August 12-14, at which time the Council affirmed the position it previously had taken; specifically:

1. Article 4, Section 2, of the NCAA Constitution (page 26) states:

   "Section 2. *Conditions and Obligations of Membership.* The members of this Association agree:

   (a) To administer their athletic programs in accordance with the constitution, the bylaws and other legislation of the Association;"

   The language "other legislation of the Association" includes the NCAA football television policy and program for 1982-1985, as officially adopted by the Association's membership.

National Office: Nall Avenue at 63rd Street • Mission, Kansas
Mailing Address: P.O. Box 1906 • Shawnee Mission, Kansas 66222 • Telephone 913/384-3220

2. A commitment by a member institution to televise or cablecast its football games in violation of the 1982-1985 NCAA football principles and program would constitute a violation of Article 4, Section 2-(a) of the constitution at the point that such a commitment is made.

   As a member of the Association, an institution agrees to administer its athletic program in accordance with the legislation of the NCAA and a commitment to violate said legislation represents an agreement not to administer its athletic program in accordance with such legislation.

3. Reports of such a commitment will be handled through the regular enforcement procedures of the Association; i.e., an official inquiry will be sent to the chief executive officer of such an institution. The inquiry will be expedited since a deliberate institutional decision to violate the conditions and obligations of membership traditionally has been considered the most serious kind of violation.

If you need any further information in this connection, please let me know.

WALTER BYERS

WB:lls

PLAINTIFFS' EXHIBIT 122

SATURDAY OKLAHOMAN & TIMES

Sports

SATURDAY, AUGUST 15, 1981

29

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PLAINTIFF'S EXHIBIT 122

NCAA Council Approves Action Against NBC 'Teams'

By Jerry McConnell
Sports Editor

The NCAA Council has approved a recommendation that enforcement proceedings should be started against members of the College Football Association that commit themselves to participate in a proposed television contract with NBC.

The CFA will meet in Atlanta, Ga., next Friday to decide whether to ratify the four-year, $180 million contract with NBC. If the CFA approves the contract by a majority vote, the members will still have a certain period (the deadline was originally set for September 10) to decide whether to participate in the plan.

The NCAA administration and its attorneys had recommended that enforcement proceedings be started at the latter date, and the Council placed its stamp of approval on that position at a week-long meeting concluded Friday in Gleneden Beach, Ore.

"The Council reviewed those recommendations and agreed that it was the proper interpretation and that it would be the proper procedure," said Tom Hansen, an assistant executive director of the NCAA and administrator of its TV programs.

Hansen said the Council also instructed that the infraction proceedings should be handled "expeditiously."

The 22-member Council, which includes three CFA members, is the ruling body of the NCAA.

Hansen said the Council also discussed a request from the CFA for documents on the NCAA's own television plan, and that the Council agreed to make available complete information on the plan.

Ten days before the CFA officials announced the NBC plan, the NCAA had reached an agreement with ABC and CBS for a four-year, $263.5 million TV package covering the 1982-85 seasons, the same season covered by the CFA plan.

Hansen said the Council also agreed to send the chairman of its TV committee, Wiles Hallock of the Pacific 10 Conference, to Atlanta to attend the CFA meeting, if requested.

It was understood that the CFA had made such a request, but Hansen said there seemed to be some question as to whether it was a "formal" request.

The NCAA contends that a tieup between NBC and the CFA would be a violation of its own plan, and thus make the CFA schools involved subject to penalties. The 61 members of the CFA, which includes Oklahoma and Oklahoma State, are also members of the NCAA.

The NCAA has never said specifically what the possible penalties would be, but Hansen had said earlier that the schools could be placed on probation, and barred from appearing on television or participating in other NCAA events, such as the NCAA basketball tournament.

No one has said what would happen if a

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NCAA Panel OKs Action In TV Case

From Page 29

school played on TV in violation of that prohibition, but some observers think that at that point the NCAA would have no recourse other than to recommend that the school be expelled, which would require a two-thirds vote of the entire membership.

Hansen said that any alleged violation of the NCAA plan would be turned over to its infractions committee, which would then handle the investigation in a normal manner.

"In this case, I wouldn't think it would take a great deal of work to discover whether or not they had violated our rule," Hansen said.

The CFA maintains that such a TV program would not be a violation of the NCAA rules, that the schools retain "the property rights" to television revenue of their own games, and they can not legally be deprived of that right unless they agree to turn it over to an agent, a roll the NCAA has handled since 1952.

There has been considerable speculation about what would happen to the NCAA pact with ABC and CBS if a considerable number of CFA members choose the NBC pact.

One official at CBS said Friday that if a large number of the major schools in the CFA go for the NBC package, the other networks would probably use an escape clause and bow out of the NCAA pact.

"There wouldn't be enough advertiser support for two packages," said Kevin O'Malley. "We don't see a way that two large packages could be supported."

Hansen said, however, that such speculation had to be based on conjecture, adding, "I don't think enough (CFA schools) are going to defect for that decision to have to be made. I think there is a growing feeling among CFA schools that it would not be appropriate to attempt to destroy the NCAA program and start a new program."

News media members who have been attempting to poll CFA schools report they have been getting a lot of cautious "undecided" responses. OU president Bill Banowsky has not made public how he will vote, and one source said he may wish to consult further with the school's regents on the matter.

Dr. Lawrence Boger, president of OSU, said Friday that he has just received a copy of the NBC contract, and that school officials have not yet decided how

THE DAILY OKLAHOMAN Sports

FRIDAY, AUGUST 28, 1981 • • 27

PLAINTIFF'S EXHIBIT 123

CFA Teams Could Be Bowl-Banned

By Jerry McConnell
Sports Editor

The chairman of the NCAA Committee on Infractions says the minimum penalty for College Football Association members that commit to a television contract with NBC would include a prohibition against bowl appearances.

Charles Alan Wright, a law professor at the University of Texas, said last week a CFA-NBC tieup would leave the NCAA with little choice but to impose severe sanctions on participating CFA members, including "... at a minimum — barring all their athletic programs from participating in NCAA-sponsored events." That means participating in championship events in other sports, such as gymnastics, basketball, track, golf and swimming.

Dr. Wright told The Oklahoman that the prohibition would also include participation in NCAA-approved events such as bowl games.

"It applies to any events sponsored or certified by the NCAA," Wright said. "The bowls are all certified by the NCAA."

Wright said these have been the usual penalties for violation of the "conditions and obligations of membership" in the NCAA. The NCAA says a TV tieup between the CFA and NBC would be such a violation.

The CFA insists that it would not be such a violation, arguing that the NCAA constitution does not give the NCAA authority over the "property rights" to TV revenue.

The 61 CFA schools have until Sept. 10 to decide whether they will participate in a four-year, $180 million contract with NBC that guarantees each school at least two TV appearances in four years and a minimum of $1 million for those appearances. The contract is for the 1982-85 seasons.

Such a bowl ban against a large number of CFA schools could put the bowls in an awkward position, including the three bowls — Orange, Cotton and Sugar — which have tieups with conferences whose schools are members of the CFA.

The CFA is composed of the members of the Big Eight, Southwest, Southeast, Atlanta Coast and Western Athletic conferences and 17 independents, including Notre Dame, Pittsburgh, Penn State and Florida State. Most of the bowl teams usually come from that group. The only major football powers not aligned with the CFA are the members of the Big Ten and Pacific Ten conferences.

Orange and Cotton Bowl officials were non-committal Thursday about what they might do in such a situation, but Mickey Holmes, executive director of the Sugar Bowl, said the Sugar Bowl would go "with

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NCAA Could Penalize CFA With a Bowl Ban

From Page 27

our partner," the Southeastern Conference.

Holmes was asked what the Sugar Bowl would do if a large number of CFA schools went with NBC and were then banned from bowls by the NCAA.

"If the SEC decides they will be part of the CFA, that's fine," said Holmes, "and if they decide they will be part of the NCAA, that's fine. If the NCAA should put sanctions against a large number of CFA teams, if the CFA has certification procedures, which I imagine they would, we would move towards certification by the CFA."

Holmes said he has already communicated that position to Boyd McWhorter, commissioner of the SEC.

Steve Hudson, president of the Orange Bowl, [illegible] once, said: "We think our best course of action now is to stay out of it. When the smoke clears, then we'll decide what that means for us, and where we go from here."

Jim Brock, executive vice president of the Cotton Bowl, which takes the Southwest Conference champion as its host team, said the matter hasn't been discussed with the SWC officers or the executive committee and that the conference hasn't taken a position on the matter.

He pointed out that only two schools that are not members of the CFA have ever appeared in the Cotton Bowl, Randolph Field (an armed forces team in Texas) in 1944 and Oregon in 1948.

Tom Hansen, assistant executive director of the NCAA, says such a situation could also pose an extremely difficult problem for such bowls as the Fiesta, Gator, and Liberty, which do not have conference tieups and must look around the nation for the best remaining teams.

The Rose Bowl has a tieup with the Big Ten and Pac-10.

Hansen said Thursday that if a bowl invited a team that was banned from post-season appearances by the NCAA, "it would lose its certification and no NCAA team could participate."

There are a lot of ifs involved in the situations, but they are ifs that the CFA members must consider as they prepare to take a final stand on the TV contract.

As is not commonly understood, the CFA schools will not "vote" on the NBC contract. When the CFA members approved the contract at Atlanta last week (by a reported margin of two votes), the terms of the proposal committed all 61 members to the contract. However, the schools have until Sept. 10 to withdraw by notifying the CFA in writing. However, those schools who wish to participate, do not have to take any action.

After the Sept. 10 deadline, the CFA will then notify NBC of the name and number of the schools committed to the contract. NBC then has the option to accept that number for the full terms of the contract, renegotiate if the number is too small or void the contract altogether.

[illegible] tions proceedings at that time, and instructed that it be handled "expeditiously."

That raises the point, presuming the contract is approved, of whether the procedures could be completed before the bowl games following this season, or for that matter, before the end of the regular season.

"I have no idea how long it would take," Wright said. "How, for example, would you process 33 schools, as a group or one at a time? I would be startled if we brought it to completion before Jan. 1."

Hansen said that while it might be theoretically possible to finish the process before the end of the regular season (which would raise an interesting question about participation in regular-season telecasts), he didn't think it was likely.

The infractions committee decides the penalties, which are subject to appeal to the Council, and if they are upheld, the matter can then be appealed to the NCAA convention, but the penalties would apparently go into effect after the Council ruling, NCAA officials said.

Of course, the CFA could also go to court seeking an injunction against such sanctions, and that could result in a test case that might last indefinitely. Neither side, so far, has shown an eagerness to go to court, however.

Rebel trivia

A few bits of Ole Miss football trivia gleaned from the handsome Rebel press guide:

• On Nov. 11, 1893, Ole Miss beat Southwestern Baptist of Jackson, Tenn., in the first football game played in Mississippi. The first touchdown was scored by one Mordecai Jones, a law student from Newman, Ga. A newspaper account described it thusly: "... Jones goes through the line for a touchdown and with the ease of a veteran develops a goal."

• Ole Miss played St. Louis in 1938 and managed to get past midfield only twice the entire game. The Rebels won 14-12.

• Ole Miss has played in 32 one-point games in 84 years of football. The Rebels have won only nine. Three of those have been with Mississippi State, and the Rebels have won all three.

• When Ole Miss was training for its first football season in 1893, the team was responsible for choosing its colors. Manager-coach A.L. Bondurant later recalled, "The team had much discussion as to the colors that should be adopted, but it was finally suggested by the manager that the union of the crimson of Harvard and the navy blue of Yale would be very harmonious, and that it was well to have the spirit of both of these good colleges."

Taking it easy

Indiana coach Lee Corso has a style all his own.

"A sense of humor is not necessarily a weakness," he says.

As for pressure, "I never worry about the other team or the weather," he says. "Those are two things over which you have no control."

Making money faster

Arnold Palmer was the first golfer to win a million dollars. It took Arnie 13 years and two months to do it. Since then, the pace is much faster.

Jack Nicklaus made his first million in eight years. It took Lee Trevino six years, 11 months. Tom Watson and Ben Crenshaw share the record for the shortest time — six years and seven months.

Kathy Whitworth, who became the first LPGA golfer to reach seven figures, needed 23 years to do it. On the same day she became the first LPGA golfer to make a million, John Mahaffey became the 31st PGA pro to do it.

Did Bum play?

Asked if he had ever played college football, New Orleans Saints coach Bum Phillips answered, "I thought so until I looked at some of the old movies when I was at Stephen F. Austin College."

Phillips, of course, is a Bear Bryant disciple, having played and coached un- [illegible] Bryant

NCAA exec contemplates CFA dispute

SEP 2 8 1981

'The bone of contention is the reorganization of 137 Division 1-A schools. The CFA would like to see that come down to 90.'
— Tom Hansen

Tom Hansen, the NCAA executive director for communications, has dealt closely with the current controversial situation involving the NCAA and the College Football Association (CFA). Here, in an interview with Clarion-Ledger sports writer Rick Cleveland, Hansen discusses that situation and some possible solutions.

As others view the NCAA-CFA controversy

"We hope that the NCAA position will stay the same. We think the situation now is the best way to control organized athletics. Although, if the big boys (CFA) go separate, we'll probably get more exposure on television because as I underatand it, the TV contract is already signed. Nevertheless, I hope the NCAA will remain as is."
— Marino Casem, Alcorn A.D.

"I hate to see a controversy come up. There's correctness on both sides. I think the biggies (the CFA) have a real concern that they can't control their own destiny. At the same time, I do think they need to stay within the NCAA umbrella. I hope that the NCAA is called into a special session and something is done. The problem lies in [illegible] e weaker Division I schools, not with Division II and Division III. The answer is a special convention and it should be done immediately."
— Jim Montgomery, Millsaps A.D.

"We voted to ratify the CFA package. The key issue is property rights. The CFA schools are claiming that their football programs are the property of the schools and not the NCAA. With the NCAA's television deal with ABC, we are guaranteed nothing. Under the CFA's deal with NBC, we get two guaranteed television appearances and a great deal of money. The NCAA also gets eight percent of the deal. We feel the CFA deal is in the best interest of everyone and certainly us."
— Roland Dale, USM A.D.

"I'm totally opposed to what the CFA is attempting to do. I feel they are attempting to push small schools further down the ladder as it pertains to enjoying some of the fruit of being a member of the NCAA. I was appalled at some of the ratosain the CFA is taking when it comes to initiating their own package — especially since the NCAA had just signed the most lucrative TV deal in the history of collegiate football. Jackson State is proud of the TV deal that the NCAA negotiated which guaranteed its entire membership an opportunity to t eon TV."
— Walter Reed, Jackson State A.D.

Q. First off, how serious is the CFA's threat to the NCAA?

A. It is a very serious matter, in that you have some very important institutions which have a number of different reasons why they are discontented. Television is not really the central issue, as many would have you believe. The TV matter has brought the discontent to a head. The television matter has seized center stage. The real bone of contention is the reorganization of Division 1-A. The organization of Division 1-A has never been achieved to the degree it was achieved in the other divisions, and for that reason we have a lot of frustration and discontent among the bigger athletic programs. As you know, there are 137 Division 1-A schools. The people in the CFA would like to see that come down to 90 or in that neighborhood. This is the real issue that needs to be addressed. The television thing is the second issue that must be addressed. The CFA's concern is that everyone in the NCAA votes on the TV package. Some people think only football members should vote. Others feel only Division 1-A football members should vote. We're currently in the process of talking to conferences and their representatives to attempt to determine how best to address these particular concerns.

Q. In recent days, there have been stories saying the NCAA might try to appease the CFA schools. What would this entail?

A. The approach that would be necessary to allay the CFA's concerns would be to propose legislation that would alleviate conditions that trouble them now. Then, to signify that the proposed legislation would be supported by the NCAA council and to pledge to bring it before a forum for early resolution.

Q. The Big Eight and Southeastern conferences have called for a special convention in the near future. What are the possibilities?

A. The NCAA is evaluating a special convention and whether or not it is feasible. The NCAA Council has scheduled a lot of calls for Tuesday to determine whether there's a strong desire among members to commit the resources and time to a special convention or whether or not they would be just as well served to have some other type of commitment like we just discussed that would be taken care of at the regular meeting in January. One problem with a special convention is that there must be 60 days of notification before any proposed legislation can be acted upon. So, you're talking about a special convention in November. The Big Eight specifically suggested Nov. 15. We are trying to see if that is what everyone wants. If so, we'll get after it and try to do it.

Q. The argument of the CFA is that the football programs are the property of the schools themselves and not the NCAA. Therefore, they should have a say in television rights. That seems logical. What is the NCAA's argument?

A. In reality, the NCAA doesn't disagree with the fact that the programs are the property of the institutions. The point is, the institutions have granted to the NCAA the right to act as an agent in creating an arrangement whereby the network will contract with the institution. There is no seizing of a property right. The institution remains able to decline to participate in the NCAA program. The CFA would do the same thing. It would operate as an agent for the institutions. In fact, in many ways the CFA deal was more restrictive than the NCAA contract with ABC and CBS. Also, there seems to be some concern that the NCAA has seized the cable rights for college football. Again, this simply isn't true. The NCAA has not seized the rights. The NCAA plan has always controlled the rights to all simultaneous television. The one new thing the NCAA was doing was we were in the process of adding a supplementary series of games on Saturday night, so that the schools that don't normally get Saturday afternoon exposure would receive exposure on Saturday night. ESPN, USA Network, Ted Turner and even the networks themselves were all interested in the secondary series.

Q. The NCAA has talked of sanctions against any and all schools who take part in the CFA-NBC package. What kind of sanctions? Is expulsion from the NCAA a possibility?

A. Expulsion would be the maximum penalty. There are several possibilities, like ineligibility for conference championships and loss of voting privileges. There have been several occasions when a school is instructed not to conduct a program for a year or two. There are a wide range of sanctions possible and it's hard to speculate on which ones would be selected.

Q. What do you think will happen?

A. It's very speculative right now. I do believe that the NCAA will address the concerns of the CFA members and other members in a positive and forthright manner. Right now, that's as far as I can, too.

[illegible] Right

c/o Clarion-Ledger Sports, P.O. Box 40, Jackson, 39205

DEFENDANT'S EXHIBIT GP

FRED C. DAVISON
Chairman of the Board
University of Georgia
Athens, Georgia 30602

HENRY T. LOWE
Secretary/Treasurer
State Hall
Columbia, Missouri 65201

CHARLES M. NEINAS
Executive Director

P. O. Box 4148
Boulder, Colorado 80306
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COLLEGE FOOTBALL ASSOCIATION

MEMORANDUM

TO: Board of Directors
FROM: Chuck Neinas, Executive Director
SUBJECT: University Sports Association
DATE: November 19, 1981

During the past two or three months several individuals, including college presidents, commissioners and members of the CFA Board of Directors, have suggested that it would be advisable to develop a structure for a national organization parallel to that of the NCAA, should it ever be necessary to consider such a move.

Please find enclosed the draft of a paper that will be discussed with the conference commissioners and others on November 24.

Your comments, ideas and suggestions are welcomed.

cc: Selected Individuals

Enclosure

DEFENDANT'S EXHIBIT

STRUCTURE FOR NATIONAL SPORTS ORGANIZATION

Working title of organization—University Sports Association (USA)

Board of Directors would be comprised of one representative from each member conference and two representatives elected by the independents. The Board would be responsible for the development of policy, the operation of the organization including its financial affairs, serve as an appeals board for matters related to eligibility and enforcement and employ the organization's chief executive officer.

Commissioners Committee would include the commissioner of each member conference plus two representatives elected by the independents. The Commissioners Committee would be responsible for the development of interpretations, assist with the enforcement operation, supervise the administrative operation of the USA and serve in a consultant capacity to the Board of Directors.

Enforcement Committee would be comprised of one representative from each member conference and one or two representatives of the independents. The Committee would be responsible for supervising the general enforcement operations of the organization. In those incidents where it is necessary to have an infractions hearing a panel of three persons would be selected from the Committee to hear each case with the understanding that no Committee member would be involved in hearing a case involving one of his or her constituents.

Competition Committee for Men would be comprised of one representative from each member conference and two representatives from the independents. The Committee would be responsible for the conduct of the championshiips for men including financial affairs, detrmination of dates and sites, qualification procedures and other details. The Competition Committee for Men would forward its recommendations to the Commissioners Committee.

Competition Committee for Women would be comprised of one representative from each member conference and two representatives from the independents. The Committee would be responsible for the conduct of the championships for women including financial affairs, determination of dates and sites, qualification procedures and other details. The Competition Committee for Women would forward its recommendations to the Commissioners Committee.

Television Committee would be comprised of one representative from each of the member conferences and two elected by the independents. The Television Committee would be responsible for the development of a football television policy to be approved by the membership and the sale of television rights for the championship events conducted by the USA. The Television Committee would report to the Board of Directors.

Post-Season Football Committee would be comprised of one representative from each member conference and two representatives elected by the independents. The Committee would be responsible for the certification of post-season football games and report to the Board of Directors.

Presidents Committee would be comprised of one representative from each member conference and two representatives elected by the independents and forward its recommendations to the Board of Directors.

Faculty Representatives Committee would be comprised of one representative from each member conference and two representatives elected by the independents and forward its recommendations to the Board of Directors.

Directors of Athletics Committee would be comprised of one representative from each member conference and two representatives elected by the independents and forward its recommendations to the Board of Directors.

Women's Athletic Administrators Committee would be comprised of one representative from each member conference and two representatives elected by the independents and forward its recommendations to the Board of Directors.

Coaches Committee would consist of eleven persons, a minimum of three of which must be women. The Coaches Committee shall be elected annually at the Coaches Congress and shall forward its recommendations to the Board and in general reflect the views of the coaches relative to the conduct of intercollegiate athletics. The Coaches Committee must include a minimum of two football coaches, one men's basketball coach and one women's basketball coach.

(Note: A representative from the Presidents, Faculty Representatives, Directors of Athletics, Women's Athletic Administrators Committee should be considered for an ex officio position on the Board of Directors. In addition, the possibility of having one or more representatives from the Coaches Committee serving in an ex officio capacity on the Board should also be considered.)

Other Committees. The Board of Directors may establish other committees as are necessary to assist in the development and operation of the organization. Such committees may either be permanent or temporary. The committees which would be required to assist in the development of the organization would include a Legislative Committee, Editorial Committee, Academic Standards Committee, Research Committee and Recruiting Committee.

Other recommendations:

(1) Membership in the University Sports Association should be based upon the criteria established for membership in NCAA Division IV or the CFA.

(2) Existing NCAA rules and regulations should be followed relative to amateurism, eligibility, recruiting, financial aid, etc. until the organization establishes its own rules and regulations governing such matters.

(3) When developing an enforcement program consideration should be given to the establishment of an educational component as well as possible development of an athletic auditing system.

(4) It may be necessary to establish individual sports committees to assist in the conduct of championships and to be responsible for the playing rules related to specific sports. The composition of such committees could be determined later but should include both athletic administrators and active coaches.

(5) A Coaches Congress should be conducted at the annual meeting of the organization which should be conducted during the month of June. At that time the various coaches groups could meet individually and collectively and develop recommendations for consideration by the Board of Directors and/or membership.

(6) At some future time the organization may wish to consider the establishment of a centralized officiating agency for the sports of football and basketball as part of the USA or coordinated through the USA. Such an agency would be responsible to the Commissioners Committee.

(7) Inasmuch as the Commissioners Committee would be required to assist in the administration of the overall program the independents may wish to employ an administrator to coordinate their activities related to the USA or this could be accommodated through the USA staff.

(8) The legislative process would be similar to that used by the College Football Association. Proposed legislation would be circulated thirty days in advance of the annual meeting with each member university having one vote on legislative and policy matters.

(9) It may be necessary for the USA to provide certain statistical and publication services. The use of an outside firm to contract for such services should be considered rather than assuming that this would be a staff function.

(10) If the membership so desired, the USA could explore the possibility of providing an insurance program similar to what is now offered by both the NCAA and NACDA.

Championship Events Program. It is recommended that the USA sponsor eleven national championships for men and eleven national championships for women as follows:

Championships for Men: basketball, baseball, indoor track, outdoor track, cross country, gymnastics, wrestling, swimming and diving, golf, tennis and soccer.

Championships for Women: basketball, softball, indoor track, outdoor track, cross country, gymnastics, volleyball, swimming and diving, golf, tennis and field hockey.

Staff Required to Administer USA Activities. It is suggested that the USA Board of Directors employ a chief executive officer to be given the title of President.

It would be both appropriate and advantageous to employ the services of a current or former college president or chancellor, preferably someone with an athletic background or a demonstrated interest in athletics. Such an individual would have the advantage of understanding the operation of a university, would be conversant about those matters affecting higher education, would enjoy the respect of other chief executive officers and could provide the administrative capability to oversee the operation of the organization. The president would be responsible to the Board of Directors.

Executive Vice President would be responsible to the President and assist with the general administration and operation of the

organization. The executive vice president should be someone with previous experience in the area of athletic administration.

Competition Coordinator would be responsible for coordinating the activities associated with the championships sponsored by the USA and would serve as liaison to the Coaches Congress and various sports committees.

Assistant Competition Coordinator would assist the Competition Coordinator.

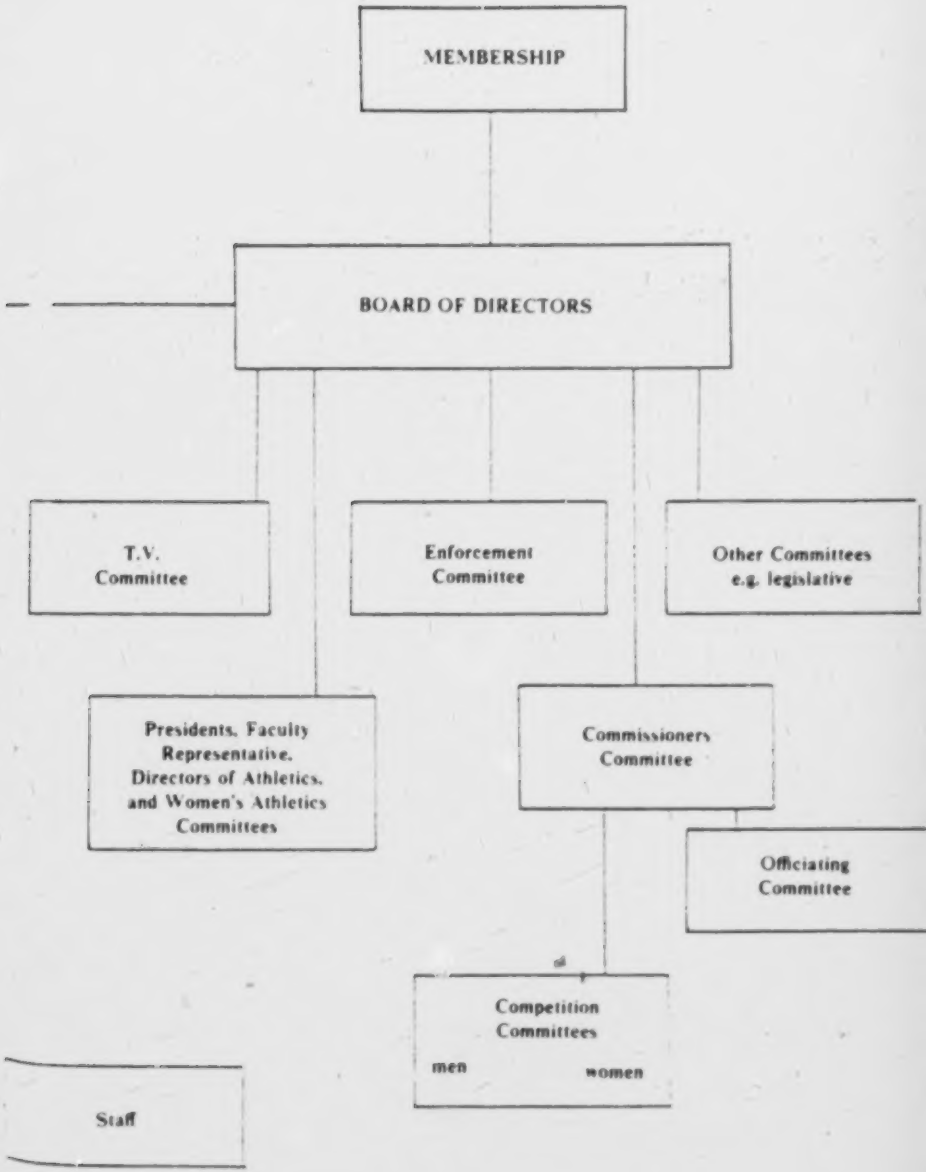
Chief of Enforcement Operations would be responsible for the conduct of the organization's enforcement program and would assist the Enforcement Committee.

Enforcement Assistant. The number of assistants required to adequately staff the enforcement department would have to be determined.

Public Relations Director would be responsible for the organization's public relations efforts and could also serve as television program coordinator in connection with the sport of football.

Officiating Coordinator (optional) would be responsible for administrating the USA officiating agency in the sports of football and men's basketball. Such an individual would be employed only if it was determined that a centralized officiating agency would be of beneficial service to the membership.

Additional Staff. Business manager, secretary to the president, secretary to the executive vice president, secretary for enforcement operations, secretary to competition coordinators, secretary to the public relations director and receptionist.


MEMBERSHIP
BOARD OF DIRECTORS
T.V. Committee
Enforcement Committee
Other Committees e.g. legislative
Presidents, Faculty Representative, Directors of Athletics, and Women's Athletics Committees
Commissioners Committee
Officiating Committee
Competition Committees
men
women
Staff

PLAINTIFFS' EXHIBIT 13

The National Collegiate Athletic Association

President
JOHN A. FUZAK
Michigan State University
East Lansing, Michigan 48824

Executive Director
WALTER BYERS

Secretary-Treasurer
STANLEY J. MARSHALL
South Dakota State University
Brookings, South Dakota 57006

MEMORANDUM

Pls revise this memo to conform as indicated; also revise any other reports and records accordingly. It is too easy to slip into bad habits on this and we should carefully follow the principles which have guided us in the past in our relationship with ABC and in the determination of rightsfees for NCAA championships.

TO: Walter Byers.

SUBJECT: Reallocation of Television Income.

The Television Committee took several actions at its January meeting to slightly reallocate some income from the Football Series in 1976 and 1977.

The actions, in my opinion, need approval of the Officers on behalf of the Executive Committee, and, perhaps, the Council. First, in an action that does not require approval, but is merely reported, the Committee set the 1976-1977 rights fee at $501,538 for a national game and $380,000 for a regional game. The regional is worth 75.8 per cent of the value of a national.

The Committee then agreed to allocate as a rights fee for the four regular season games of Division II and Division III which are to be televised each year an annual rights fee of $190,000 (one-half a regional fee).

Next, it was agreed too much money could go to the participants in the regular-season games in relationship to the income received by a Division II Champion ($52,000 in 1974), depending on the ability of the Association to hold down the production costs for those games.

It was proposed, therefore, that a portion of the $190,000 be added to the rights fee for the Division III Championship telecast. It was pointed out that Championship had been expanded in 1975 from four teams to eight, that attendance had been poor and the financial conditions unfavorable.

After study, it was voted:

> That of the $190,000 allocated to regular season Division II and Division III games, $70,000 be added to the $80,000 rights fee for the Division III Championship, with the four regular season Division II and III games to divide $120,000 (after payment of production costs). Rights fee for the Division III Championship will remain at $420,000.

The Television Committee voted the $500,000 to Divisions II and III at its Birmingham meeting. No formal approval was sought nor granted. I do not believe the Executive Committee has divided the $500,000. The $420,000-$80,000 split is that of 1975.

Also, somewhat to my surprise, no dollar allocations were specified in the memorandums covering the 1975 referendum. Perhaps this information was omitted deliberately to give the Executive Committee an opportunity to exercise its options when additional information was available concerning production costs of the Division II and III telecasts.

I hope the Executive Committee will approve the arrangement as I believe it is the most equitable distribution of the monies available to II and III.

Incidentally, its primary author was Milt Weisbecker of Division III. George Hansell seconded its reasonableness. The Division I members, including Stan Bates of Executive Committee, didn't care how dollars were awarded, as long as II and III were happy.

TOM HANSEN
January 23, 1976

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PLAINTIFFS' EXHIBIT 6

AGREEMENT

AGREEMENT dated as of June 10, 1977 by and between ABC SPORTS, INCORPORATED, a subsidiary of American Broadcasting Companies, Incorporated, 1330 Avenue of the Americas, New York, New York 10019 (herein called "ABC") and THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, U. S. Highway 50 and Nall Avenue, Shawnee Mission, Kansas 66222 (herein called "NCAA").

1. NCAA hereby agrees to grant to ABC the exclusive rights for live or simultaneous telecasting of NCAA football games for each of the four seasons—1978, 1979, 1980 and 1981—and five NCAA championship events* (other than basketball) to be selected by ABC. Such football games include four division II and three Division III regular season games in each year and the four Division II and III post-season championship games, consistent with prior years.

2. The minimum aggregate compensation to be paid by ABC for such games and championship events shall be $29,000,000 for each of the 1978 and 1979 seasons and $30,000,000 for each of the 1980 and 1981 seasons; provided that, if the U. S. Bureau of Labor Statistics Consumer Price Index—U. S. City Average for All Items (1967 = 100) as of January of 1980 exceeds the same figure for January, 1978, by fifteen per cent (15%) or more, then the minimum aggregate compensation to be paid by ABC shall be $31,000,000 for each of the 1980 and 1981 seasons.

3. During each season, ABC may televise 23 exposures consisting of 116 team appearances; the exposures may be composed of 13 national games and 10 regional dates of 45 games (or any re-mix thereof which shall be subject to reasonable NCAA approval), so long as the team appearances

* annually

are at least 116. ABC shall have flexibility with regard to the dates and times of scheduling its telecasts, but radical departure from the traditional Saturday telecast scheduling shall be made only with NCAA approval. In the event the aggregate minimum compensation to be paid by ABC shall be increased pursuant to paragraph two above, then the number of exposures allowed ABC shall be increased to 24 for each of the 1980 and 1981 seasons, with a commensurate increase in team appearances.

4. In each game in each season, there shall be not more than 22 commercials in not more than 21 positions. During the halftime of one of the games of any double-header date, ABC may, in addition to the foregoing, allocate not more than five minutes to the presentation of news.

5. If, during the term of this agreement, NCAA shall institute football playoffs leading to a Division I national championship, the NCAA Council will recommend to the appropriate authority that ABC be given the right of exclusive first negotiation with respect to the televising of such playoff games.

6. Appearance limitations as applied in the administration of the 1976-1977 NCAA Football Television Plan shall apply over each of the 1978 and 1979 consecutive seasons and the 1980 and 1981 consecutive seasons.

7. NCAA agrees to negotiate in good faith exclusively with ABC for a twenty-eight (28) day period, with respect to the sale of television rights for one or more football seasons subsequent to 1981. NCAA agrees to consult with ABC with regard to the date upon which the 28 day period shall commence, and will seriously consider ABC's views thereon. NCAA then will notify ABC in writing of the date upon which the negotiations shall commence not less than 15 days prior thereto. If at the end of such twenty-eight (28) day period ABC and NCAA have not reached agreement, then each party

agrees to advise the other in writing as to the final monetary and other terms acceptable to it. If neither party accepts the final terms of the other in writing within two (2) business days from the date of receipt of such final terms, then NCAA shall be totally free to sell or grant such rights to any third party; however, NCAA agrees not to grant such rights to any third party on monetary terms which are less than those set out in its final offer to ABC without giving ABC three (3) business days within which to acquire such rights on the same terms offered to said third party. ABC's written offer, which may be increased during the two day period, shall be irrevocable for three business days after said two day period. NCAA will not, during the thirty (30) day negotiation period negotiate the sale of such rights with or offer such rights to anyone other than ABC, but NCAA shall not be subject to any restriction in conversing with others.

8. ABC agrees to work with NCAA to accommodate the telecasting of the semifinal and final playoff football games of a new Division I-AA (if such new division is created and implemented during the term hereof) and to include mutually acceptable provisions in this regard in the detailed written contract referenced in paragraph nine below.

9. This agreement is subject to:

(a) subscription, within fifteen (15) days from the date hereof, by ABC of a detailed written contract (the financial performance of which is to be guaranteed by American Broadcasting Companies, Incorporated) which will include the foregoing provisions of this agreement and other terms, not inconsistent with the foregoing, conforming with the principles set forth in the 1978 and 1979 NCAA Football Television Program (attached hereto as Exhibit A) and with the general practices and dealings between NCAA and ABC with respect to the telecast by ABC of football games under prior NCAA Football Television Plans and agreements, and

(b) the approval of such detailed written contract by a two-thirds vote of the members of the NCAA Council present and voting. NCAA agrees that, if the Council fails to approve such detailed written contract, NCAA will give ABC in writing the specific objection(s) of the Council and will negotiate in good faith with ABC in its attempts to cure such objections within five (5) business days from the date of ABC's receipt of such objection(s) and will not grant such rights to any third party during such (5) day period.

THE NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

/s/ Walter Byers
Executive Director

ABC SPORTS, INCORPORATED

/s/ James R. Spencer, Jr.
Vice President,
Program Planning

ABC SPORTS, INC.

A Subsidiary of American Broadcasting Companies, Inc.

AGREEMENT

AGREEMENT dated as of June 10, 1977 by and between ABC SPORTS, INC., a subsidiary of American Broadcasting Companies, Inc., 1330 Avenue of the Americas, New York, New York 10019 (herein called "ABC") and THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION, U. S. Highway 50 and Nall Avenue, Shawnee Mission, Kansas 66222 (herein called "NCAA").

IN CONSIDERATION of the mutual covenants herein contained, the parties hereto have agreed and hereby do agree, as follows:

1. The parties hereto agree to abide by the 1978-1981 NCAA Football Television Plan (the "Plan") as modified by the terms and conditions set forth herein. A copy of such Plan is attached hereto as Exhibit A and made a part of this Agreement.

2. (a) NCAA hereby grants to ABC the exclusive right to "telecast" (as hereinafter defined, during each season of the Plan a series of twenty-three "exposures" covering a minimum of one hundred sixteen team appearances for collegiate football games as provided in the Plan. In the event the aggregate minimum compensation to be paid by ABC shall be increased pursuant to paragraph three hereof, then ABC shall have the right to increase the number of exposures by one for each of the 1980 and 1981 seasons, with a commensurate increase in team appearances.** in the event a new Division I-AA is organized and becomes operative before commencement of any season of the Plan, ABC shall have the right to increase the number of exposures by one for any one season of the Plan thereafter with a commensurate increase in team appearances for that season.

** Irrespective of the foregoing.

(b) * ABC agrees to telecast the games of each exposure in each of said years in accordance with the format set forth in the Plan.

(c) ABC shall freely negotiate and contract individually with NCAA member colleges for the telecasting of games subject to the terms of this contract.

3. Provision re compensation deleted.

4. The minimum aggregate compensation for each year hereof, set forth in paragraph 3 above, includes payment for ABC's exclusive right (and obligation, which ABC hereby assumes) to telecast during each year hereof, on a live and/or delayed basis (such telecasts are contemplated as part of ABC's Wide World of Sports television program series), five non-football NCAA Championship Events other than Division I basketball in accordance with Article 22 of the Plan. Periodically following determination of the schedule for such events NCAA shall advise ABC in writing of the scheduled dates and locations for the holding of such Events, and ABC shall advise NCAA in accordance with the terms of the Plan of such events which ABC selects for telecast and the year(s) during the Plan which it elects to telecast same. NCAA agrees that there shall be no live telecast of any such Event (other than Division I basketball), or any delayed telecast within thirty days of the Event,** by any third party during any year covered by this Plan, unless ABC shall have advised NCAA that ABC will not be selecting that Event for telecast for that year, or unless with respect to any year, ABC shall fail to advise NCAA on or

* Except as otherwise specifically provided in this agreement.

** (or later as mutually agreed upon).

before the applicable time that ABC has selected such Event for its telecast. Notwithstanding the foregoing, if NCAA gives written notice to ABC at any time that it desires to make any such event available for television to another, ABC shall have ten business days thereafter to select such event as one of the five required to be telecast under the Plan, or as an additional event to such five. Subject to agreement upon the terms for additional events ABC may select more than five such championships for telecast during any year, but it may not rescind any selections theretofore made by it.

5. (a) ABC's rights herein with respect to the games of the series, the post-season NCAA championship football games and the NCAA Championship Events, shall be exclusive for simultaneous telecasting, pursuant to the Plan, throughout the world in any area to which simultaneous telecasting is possible and will occur. The term "telecast", as used herein, means the live or simultaneous broadcast, transmission or exhibition by television methods, devices and improvements thereof, whether now known or hereafter developed. The games herein may be telecast over such type and/or specific telecasting facilities as ABC may select or authorize.

(b) Additionally, ABC shall have the right to telecast any of the games of the series on a delayed basis in all geographical areas outside of the territorial boundaries of the first forty-eight states of the United States.* No pre-game or post-game show shall be required to be telecast in connection with any such delayed telecast. ABC shall keep NCAA advised as to the telecasts of the games in areas outside of the United States, its territories and possessions.

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* and in Hawaii and Alaska on the 7th day following the game; provided that, any delayed telecast outside the fifty United States shall be subject to the prior approval of NCAA.

(c) With respect to the dates of the series specified in Article 5, and the format outlined in Article 6, it is understood that dates other than those specified which have been customarily utilized by ABC in the past may be utilized under the Plan, and that the second game of a doubleheader on Thanksgiving may be a night game. The NCAA Television Committee will give serious consideration to a request by ABC for a night telecast on the Friday . . . able efforts to avoid scheduling such a telecast If said Committee acts favorably on such a request,* decision will require approval by the NCAA Council under Article 26 before such a telecast is authorized under the Plan.

(d) With respect to paragraph (d) of Article 22 of the Plan, if the weekly highlights show is 30 minutes in length, ABC shall present on other programs during the year a minimum of two segments of at least 15 minutes duration on college football. One segment shall be presented in the Spring and the other at a later time selected by ABC which is acceptable to NCAA. It is agreed that NCAA shall develop and submit to ABC at such time as shall be reasonably requested by ABC, the copy, concepts and general outlines of various suggested presentations for these segments, and that ABC may select therefrom those it wishes to utilize and ABC shall have sole authority for the production of, and will produce such segments at no cost to NCAA. ABC, at its election, may assign production of such segments to NCAA Productions subject to mutual agreement on the compensation and other terms of such assignment.

(e) With respect to paragraph (g) of Article 22 of the Plan, ABC shall schedule its NCAA football programming to allow a reasonable post-game show consistent with prior years; provided that the parties hereto agree that ABC shall be

* it will forward its favorable recommendation to the NCAA Council, it being understood that the Committee's

automatically released from the requirement of telecasting any such show if such telecast would cause ABC to violate any applicable provisions imposed by the Federal Communications Commission. A pre-game show shall not be required prior to the second game of a doubleheader presentation.

(f) The starting times for the Division I-AA Football Championship games, if any there be which are telecast from the Pacific Coast, shall be 11:35 a.m., Pacific Standard Time.**

(g) The aggregate 16 required appearances set forth in paragraph (b) of Article 13 of the Plan for the member institutions of the Mid-American Conference, Pacific Coast Athletic Association, Southern Conference, Southland Conference, Missouri Valley Conference, and for the Division I independents referred to therein, shall include a minimum of one appearance for each of said named conferences.

(h) In scheduling games pursuant to the Plan, ABC may elect to treat an appearance of either or both teams on a "special exceptions" date under Article 14 of the Plan as a regular appearance not subject to the "special exceptions" provisions.

(i) It is agreed that an exception telecast under paragraph (h) of Article 16 of the Plan will not be approved by the NCAA Television Committee if the telecast will conflict with a Series telecast at night or on Labor Day.

(j) In the event ABC desires to telecast a series game not theretofore scheduled involving as a participant a member of the NCAA which was not eligible for an appearance under the Plan until less than one week prior to such game, it can procure

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** if ABC cannot reasonably schedule the telecast for a later time.***

*** Division I-AA Championship Football Games played in the Eastern (light levels permitting) Central or Mountain time zones will be scheduled to commence at approximately 1:35 p.m. current New York time ("CNYT"), except that a game in the Mountain time zone may commence at approximately 2:05 p.m. CNYT **** and and except that ABC will endeavor to commence its telecast of a game in the Central time zone at approximately 2:05 p.m. CNYT.

**** unless NCAA elects to start the game at the normal specified time.

a waiver of the five days selection limitation set forth in the third paragraph of Article 12 upon application to the NCAA Television Committee prior to contacting such participant.

6. (a) As provided in the Plan, only sponsors approved by the NCAA Television Committee may be used for any football game or other program telecast pursuant to the Plan. Approved sponsors shall not include producers or purveyors of alcoholic beverages (except as hereinafter specified); feminine hygiene products; laxatives; habit-forming drugs; tonics of a dubious purpose; cigarettes; political organizations of any kind; or organizations whose policies or purposes are controversial; and, no commercial may be used which debases or which is derogatory to college football or college athletics. The NCAA Television Committee may approve as sponsors: pharmaceutical firms with institutional advertising or with advertising of products not specifically banned hereby; producers of analgesics, cold remedies or antacids which are in general use; and, producers or purveyors of athletic training aids.

(b) ABC shall take every reasonable step to discourage during the telecasts hereunder the use by sponsors of commercials featuring current professional athletics who participate in sports regulated by the NCAA, and, specifically, ABC shall advise every potential sponsor accordingly before contracting with such sponsor. If any such potential sponsor insists on disregarding this policy, ABC shall consult with NCAA before contracting with such sponsor. However, it is understood that the decision to contract with such sponsor shall be ABC's.

(c) Sponsors advertising malt beverages, beer or wine are approved for a maximum of one commercial in each highlight show, one commercial each pre-game show and one commercial in each post-game show. Such commercials may be

either single sixty second commercials or two back-to-back thirty second commercials, and there shall be no more than sixty seconds of commercial* permissible in each show for such sponsors. Within each game a maximum of six such commercials are approved: one within positions two to five, one within positions six to nine, one within positions ten to eleven, one within positions twelve to fifteen, one within positions sixteen to nineteen, and one within positions twenty to twenty-one (as such positions are hereinafter set forth in paragraph 7(a)). The aforesaid commercials within each game may be thirty seconds, sixty seconds or back-to-back thirty second commercials, but there shall be no more than 180 seconds of commercial time permissible for such sponsors in the aforesaid six allowable positions during the game, and if* utilized, at least one** shall occur in positions ten to eleven.*** subject to the foregoing limitations, local station commercials on behalf of malt beverage, beer or wine sponsors may be used under the following circumstances:

(i) At ABC's option, a local station malt beverage or wine commercial may be used in lieu of any network commercial authorized above for one of the nine commercial positions totaling no more than three hundred sixty seconds. The local station may not combine these commercials with those permissible in subparagraphs (ii) through (vi) below so as to exceed the three hundred sixty seconds limit. A combination of commercial and station break usage is permissible so long as the total does not exceed three hundred sixty seconds. Any combination shall be subject to the placement requirements provided in subparagraph 6(c) above and the corresponding station break listed in subparagraphs (ii) through (vi) below.

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*time

* all 180 seconds allowable are actually

** thirty (30) second commercial

*** If fewer than 180 seconds are utilized, it is understood that 150 seconds may be utilized in the aforesaid positions other than positions one and positions ten to eleven.

(ii) If the ABC Television Network itself does not use a malt beverage, beer or wine commercial in the pre-game show, a local station may use a malt beverage, beer or wine commercial during the station break between the pre-game and game telecasts;

(iii) If the ABC Television Network itself does not use a malt beverage, beer or wine commercial during the first five commercial positions of the game being telecast, then a local station may use a malt beverage, beer or wine commercial during a half-time station break;

(iv) If the ABC Television Network itself does not use a malt beverage, beer or wine commercial during commercial positions eight through eleven of the game being telecast, then a local station may use a malt beverage, beer or wine commercial during the station break between the third and fourth quarters of the game;

(v) If the ABC Television Network itself does not use a malt beverage, beer or wine commercial during the post-game show, then a local station may use a malt beverage, beer or wine commercial during the station break between the game and post-game telecasts;

(vi) If no malt beverage, beer or wine network commercial is used in the highlights show and the highlights show is at least one hour in duration, a local station may use a malt beverage, beer or wine commercial in the station break in the highlights show.

In each and every case above, partial use of any commercial position for a malt beverage, beer, or wine commercial shall constitute full usage. Accordingly, if the network, for example, used a thirty second malt beverage, beer or wine commercial in position number eleven, it would not be permissible for the local station to present a thirty second malt beverage, beer or wine commercial during the station break between the third and fourth quarters.

(d) NCAA agrees to request NCAA member colleges not to permit cigarette advertising in any of their stadia during a telecast of any game of the Football series.

7. With regard to the commercial format set forth in Article 10 of the Plan, the following shall apply:

(a) there shall be twenty-one commercial positions distributed as follows:

Position No.	
1	Pre-game
2	First Quarter
3	First Quarter
4	First Quarter
5	Between Quarters
6	Second Quarter
7	Second Quarter
8	Second Quarter
9	Second Quarter
10	Half Time
11	Half Time
12	Third Quarter
13	Third Quarter
14	Third Quarter
15	Between Quarters
16	Fourth Quarter
17	Fourth Quarter
18	Fourth Quarter
19	Fourth Quarter
20	Post-game
21	Post-game

There may be ninety second commercials at position 5 and 11, and all other commercial positions will not exceed sixty seconds in duration. Position 20 may occur during the fourth quarter if it occurs during a natural time out which follows a natural time out not used for commercial purposes. If position 20 occurs during the fourth quarter position 21 may also occur during the fourth quarter if it occurs during a natural time out following an additional natural time out not used for commercial purposes.

(b) In addition, there shall be no more than two station breaks of no more than sixty-three seconds each from the beginning of the game telecast to the conclusion of the game telecast. Such station breaks shall be located as follows: There shall be one station break at half-time and one station break between the third and fourth quarters.

8. (a) In the event that the telecasting for any exposure of the basic series of games during the first three (3) years of the Plan is totally prevented due to war or national emergency, governmental restriction, preemption for an event of overwhelming public importance the occurrence of which is not within the control of ABC, weather, labor dispute (on one occasion only), act of God, failure of transmission facilities, or other like causes beyond ABC's control, or the failure to play any such game, then ABC may either substitute another game or games for telecast on the same date or, if this is impossible, telecast an additional game or games on a later date in lieu thereof, and there shall be no diminution of the aggregate minimum compensation payable hereunder. If such telecast prevention occurs in the first half of the 1981 season and because of scheduling difficulties it is impossible to make-up the "lost" telecast in 1981, there shall be no diminution of the aggregate minimum compensation, and such game or games may be made up in 1982 if ABC has the television rights for similar games for 1982. Should such telecast prevention occur during the second half of the 1981 season, ABC shall use its

best efforts either to substitute another game or to reschedule the telecast for a later date in 1981 or 1982 or 1983 if ABC has the television rights for similar games for those years, but if ABC is unable to do so, there shall be no diminution of the aggregate minimum compensation payable hereunder with respect to the first two exposures thus prevented, but there shall be a proportionate reduction in the aggregate minimum compensation payable hereunder with respect to any additional exposure thus prevented in the second-half of the 1981 season.

(b) In the event that any telecast of the basic series of games is commenced but is thereafter materially interrupted due to any of the reasons set forth in subparagraph 8(a) above, it is understood that ABC shall reschedule for inclusion in a subsequent game or games (in addition to the commercials permitted in the format for such game) at later dates during the term of this contract, or in 1982 if ABC has the television rights for similar games for 1982, any commercials ABC is unable to telecast because of such material interruption. However, should the number of commercials or other circumstances be such as to make it unreasonable in NCAA's opinion to reschedule such commercials in a later game or games, there shall be a proportionate reduction in the moneys payable pursuant to this Agreement based upon the number of commercials actually telecast in relation to the number of commercials scheduled and sold.

(c) Provision re a rule of conduct for game telecasts deleted.

(d) It is understood and agreed that for the purpose of paragraph 8(a) hereof, the requirements of Articles 13 and 14 of the Plan may be waived by the Television Committee.

9. NCAA agrees, should ABC be televising NCAA football games in a season in which Division I (Division I-A if a Division I-AA is operative) football playoff(s) are instituted, that the NCAA council will recommend to the appropriate authority that ABC be given the exclusive right of first negotiation with respect to the televising of such playoff(s).

10. On the day a Division II and III Championship football game is played ABC agrees not to telecast or authorize the telecast of any of said games, or any other football game, from a transmitter located within 120 miles of the site of any of the said games with NCAA's approval, not to telecast in the home television market of any participating team if, in NCAA's opinion, after consulting with ABC, such telecast would reduce attendance at any such game. If the site of such Division II or III Championship game is within 120 miles of a transmitter serving a television market of over 500,000 homes and a Series game is scheduled to be telecast over said transmitter in conflict with any such Championship game, ABC reserves the right to discuss with NCAA the advisability of telecasting the Series game over such transmitter as an exception to the aforesaid limitation and to seek NCAA approval of same, which approval will not be unreasonably withheld.

11. ABC shall have the right during regional telecasts of the games of the series to utilize in the post-game show of the game in one region live coverage or the taped highlights of such games in other regions.

12. In accordance with Article 11 of the Plan, ABC agrees to make the games available to any other network or station which may wish to telecast such games on condition that such other network or station agrees to pay for any and all line charges and all other necessary expenses (including but not limited to a proportionate share of the amount ABC pays for the rights to such game or games, any additional payments which may be required by applicable union contracts or by individual contract with any of the individuals concerned, any additional payments which may be made to the executive producer, director and any and all talent engaged for the program and a proportionate share of * technical pickup costs) to have the program fed to and telecast by such other network

*ABC's

or stations; provided that, such other network or station shall telecast each of the games in exactly the same manner (including play-by-play description, commentary relating thereto, half time entertainment and only the commercial messages authorized by ABC) as and with the same content on ABC's telecast with no deletions, exclusions or additions and with no insertion of commerical messages of any kind and without receiving any compensation from ABC or ABC's (or ABC's affiliates') sponsors therefor.

13. In Article 22(d) of the Plan, the reference to "mutual agreement" in the third sentence shall mean "mutual agreement of the Television Committee and the network if the time period offered on the network (to be fed in pattern time) is outside of 12 noon to 6 p.m. Sunday (or outside of 6 p.m. to 10 p.m. Monday through Wednesday).

14. With regard to Article 26 of the Plan, any modification which adversely affects ABC's rights shall be subject to mutual agreement.

15. If, during the period of this contract, there are telecasts not contemplated under this agreement of major college football involving as participants present members of NCAA, then it is mutually agreed to negotiate a reduction in price based upon the damage ABC suffers and upon the loss in audience attributed to such telecasts. If no agreement is reached, the parties agree to arbitration of a reduction in price under the rules of the American Arbitration Association.

16. Provision re future negotiations deleted.

acceptable to it. If neither party accepts the final terms of the other in writing within two business days from the date of receipt of such final terms, then NCAA shall be totally free to sell or grant such rights to any third party; however, NCAA agrees not to grant such rights to any third party on monetary terms which are less than those set out in its final offer to ABC without giving ABC three business days within which to acquire

such rights on the same terms offered to said third party. ABC's written offer, which may be increased during the two day period, shall be irrevocable for three business days after said two day period. NCAA will not, during the thirty day negotiation period, negotiate the sale of such rights with or offer such rights to anyone other than ABC, but NCAA shall not be subject to any restrictions in conversing with others.

17. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and this Agreement cannot be changed or terminated orally.

18. All notices hereunder shall be in writing and shall be by personal delivery or by mail or by telegraph, at the respective addresses of the parties hereto, hereinabove set forth, or such other address or addresses as may be designated by either party. Such notices shall be deemed to have been given upon being mailed, postage or other charges prepaid, or upon delivery to a telegraph office, charges prepaid or to be billed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ABC SPORTS, INC.
A Subsidiary of American
Broadcasting Companies, Inc.

/s/
Vice-President, Program Planning

NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION

/s/
Executive Director

The undersigned hereby guarantees the faithful performance by ABC Sports, Inc., of all monetary obligations under the foregoing contract.

AMERICAN BROADCASTING
COMPANIES, INC.

By /s/
Vice-President and Chief
Financial Officer

As of August 12, 1977

PLAINTIFFS' EXHIBIT 76

The National Collegiate Athletic Association

President
J. NEILS THOMPSON
University of Texas
Austin, Texas 78758

Executive Director
WALTER BYERS

Secretary-Treasurer
EDGAR A. SHERMAN
Muskingum College
New Concord, Ohio 43762

August 19, 1977

Mr. Wayne Duke, Commissioner
Big Ten Conference
1111 Plaza Drive
Schaumburg, Illinois 60195

Dear Wayne:

I am enclosing copies of letters that the chancellor of the University of Mississippi has written to Senator Eastland in an effort to stimulate Justice Department action in response to the NFL's encroachment upon the Congressional mandate for protection of high school and college football games.

The Justice Department's rationale in exempting the unused games (i.e., the games which the NFL decides not to use in its package and thus returns to the clubs for sale) defies any reasonable logic in interpreting pooling or monopoly arrangements under antitrust statutes. Our purpose, however, is not to argue the legal issues in this letter.

It is clear that the NFL, now conscious of the Justice Department's inaction, is exploiting this loophole. Your Committee apparently has been holding meetings with NFL representatives and I gather there is a euphoric aura of cooperation surrounding these discussions. I feel that the NFL attitude in this instance is outrageous and the next time your group is in communication with the NFL, I think that any cooperation should be contingent upon the threshold requirements that the NFL cease its exploitation at the expense of high school and college football.

Unless Chancellor Fortune's contacts with Senator Eastland prompt the Justice Department to enforce the Congressional law, I believe this issue will erupt into a concerted campaign by the schools and colleges to discredit the NFL's motives and to obtain whatever Congressional or legal redress may be available to us.

Cordially yours,

Walter Byers

WB:ll
Enclosures
cc: Mr. Brice B. Durbin
NCAA Professional Sports Liaison Committee
NCAA Television Committee
bcc: Mr. Thomas C. Hansen
Mr. Rickard Pfizenmayer

PLAINTIFFS' EXHIBIT 60

The National Collegiate Athletic Association

President
J. Neils Thompson
University of Texas
Austin, Texas 78758

Executive Director
Walter Byers

Secretary-Treasurer
Edgar A. Sherman
Muskingum College
New Concord, Ohio 43762

TH | In all such communications, important to make point Meet (B,13C) These are recs. for Bd's consideration or you are confirming your understanding as to what ABC plans to do.

September 21, 1977

Mr. James R. Spence
ABC Sports, Incorporated
1330 Avenue of the Americas
New York, New York 10019

Dear Jim:

no need to retract this one.

Here, as promised, is a breakdown of the dollars and procedures for the regular-season telecasts of the games of members of Divisions II and III for the 1977 season.

B 9/24

First, the money: $50,000 has been added (to be taken off the top of the $18 million) to cover the production costs and rights fees for the games in 1977. This leaves $540,000 payable as rights fees for the Division II and Division III championship telecasts.

Second, legal aspects: The Committee would appreciate ABC adding to its Division II-III contracts a requirement that the monies payable to the home team are to be divided on the following bases:

For Division II games, a 50-50 split between the host and visiting teams.

For Division III games, a 60-40 split with 60 per cent going to the host institution and 40 per cent to the visiting institution.

Third, the Committee and Council have agreed to authorize to present a third Division II telecast if it wishes to do so, with ABC to pay the production costs of the third such contest only. The portion of the $200,000 remaining after payment of the production costs for the other four games would be spread across the five telecasts as rights fees.

Obviously, due to several factors, it will be impossible for you to specify actual rights prior to the conclusion of the four or five telecasts.

The Council and Executive Committee also voted to restrict appearances in those telecasts to teams eligible for the Division II and Division III playoffs (except one of the institutions moving to Division I classification for 1977 still would be eligible under the terms of the Plan if it was eligible in 1976). Our records indicate five institutions are affected for 1977: University of Nevada, Las Vegas; Florida A&M University; Texas Southern University; Jackson State University and University of Tennessee, Chattanooga.

I believe this covers all aspects of these telecasts. Please let me know if you have any questions.

Best wishes.

Cordially yours,
/s/ Thomas C. Hansen
Thomas C. Hansen
Television Program Director

TCH:nlm
cc: Captain John O. Coppedge
Mr. Robert A. Latour
Mr. Stan Sheriff
Mr. William C. Stiles

PLAINTIFFS' EXHIBIT 28

FOR COMMUNICATIONS CENTER

DOMESTIC/WORLD-WIDE TELEGRAM
CLASS OF SERVICE
STRAIGHT
SEE REVERSE SIDE
TWX/TELEX or ZIP NUMBER
10/30/78 SPORTS 160-001
DATE—SENDERS DEPARTMENT—COST CENTER

TO: MR. ARNIE FERRIN
- ATHLETIC DIRECTOR
- UNIVERSITY OF UTAH
- SALT LAKE CITY, UTAH 84112

DEAR MR. FERRIN:

WE HAVE SELECTED THE GAME BETWEEN YOU AND UNIVERSITY OF NEW MEXICO SCHEDULED FOR SATURDAY, NOVEMBER 4, 1978 AT SALT LAKE CITY, UTAH AS ONE OF THE REGIONAL GAMES TO BE TELECAST AS PART OF THE 1978 SERIES OF NCAA FOOTBALL TELEVISION BROADCASTS. OUR TELECAST OF THIS GAME HAS BEEN APPROVED BY THE NCAA. WE UNDERSTAND THAT KICK-OFF WILL BE AT APPROXIMATELY 2:10 MST. IN ACCORDANCE WITH OUR AGREEMENT WITH THE NCAA AND THE NCAA RULES, WE REQUIRE YOUR CONFIRMATION OF THE FOLLOWING:

1. THE STARTING TIME OF THE GAME;

2. YOUR CONSENT AND THE CONSENT OF THE VISITING TEAM (WHICH YOU MUST OBTAIN) TO OUR TELECAST OF THE GAME; AND

3. YOUR ACCEPTANCE OF $401,222.00 AS TOTAL PAYMENT TO YOU FOR OUR TELECAST RIGHTS. THE FOREGOING AMOUNT IS INTENDED TO COVER ANY PAYMENT REQUIRED BY THE VISITING TEAM FOR OUR TELECAST. YOU WILL BE RESPONSIBLE FOR MAKING ALL ARRANGEMENTS WITH THE VISITING TEAM AND FOR ANY SUCH PAYMENTS TO THEM.

UPON RECEIPT OF YOUR WIRE CONFIRMING YOUR AGREEMENT TO THE ABOVE, INCLUDING THE STARTING TIME AND PAYMENT SPECIFIED, A MORE FORMAL AGREEMENT WILL BE FORWARDED TO YOU. A PROMPT TELEGRAPHIC REPLY WILL BE APPRECIATED.

VERY TRULY YOURS,

ABC SPORTS, INC.

CHARLES STANFORD
DIRECTOR, LEGAL & BUSINESS AFFAIRS

bcc: Messrs. Apter, Arledge, Bernstein, Howard, Levy, Martin, Smiley, Spence and Weiner
Ms. Sacks

PLAINTIFFS' EXHIBIT 29

FOR COMMUNICATIONS CENTER

DOMESTIC/WORLD-WIDE TELEGRAM
CLASS OF SERVICE
STRAIGHT
SEE REVERSE SIDE
TWX/TELEX or ZIP NUMBER
11/6/78 SPORTS 160-001
DATE-SENDERS DEPARTMENT-COST CENTER

TO: MR. ROBERT DEVANEY
- ATHLETIC DIRECTOR
- UNIVERSITY OF NEBRASKA
- LINCOLN, NEBRASKA 68588

DEAR MR. DEVANEY:

WE HAVE SELECTED THE GAME BETWEEN YOU AND UNIVERSITY OF OKLAHOMA SCHEDULED FOR SATURDAY, NOVEMBER 11, 1978 AT LINCOLN, NEBRASKA AS ONE OF THE NATIONAL GAMES TO BE TELECAST AS PART OF THE 1978 SERIES OF NCAA FOOTBALL TELEVISION BROADCASTS. OUR TELECAST OF THIS GAME HAS BEEN APPROVED BY THE NCAA. WE UNDERSTAND THAT KICK-OFF WILL BE AT APPROXIMATELY 12:00 NOON CST. IN ACCORDANCE WITH OUR AGREEMENT WITH THE NCAA AND THE NCAA RULES, WE REQUIRE YOUR CONFIRMATION OF THE FOLLOWING:

1. THE STARTING TIME OF THE GAME;

2. YOUR CONSENT AND THE CONSENT OF THE VISITING TEAM (WHICH YOU MUST OBTAIN) TO OUR TELECAST OF THE GAME; AND

3. YOUR ACCEPTANCE OF $533,600.00 AS TOTAL PAYMENT TO YOU FOR OUR TELECAST RIGHTS. THE FOREGOING AMOUNT IS INTENDED TO COVER ANY PAYMENT REQUIRED BY THE VISITING TEAM FOR OUR TELECAST. YOU WILL BE RESPONSIBLE FOR MAKING ALL ARRANGEMENTS WITH THE VISITING TEAM AND FOR ANY SUCH PAYMENTS TO THEM.

UPON RECEIPT OF YOUR WIRE CONFIRMING YOUR AGREEMENT TO THE ABOVE, INCLUDING THE STARTING TIME AND PAYMENT SPECIFIED, A MORE FORMAL AGREEMENT WILL BE FORWARDED TO YOU. A PROMPT TELEGRAPHIC REPLY WILL BE APPRECIATED.

VERY TRULY YOURS,

ABC SPORTS, INC.

CHARLES STANFORD
DIRECTOR, LEGAL & BUSINESS
AFFAIRS

bcc: Messrs. Apter, Arledge, Bernstein, Howard, Levy, Martin, Smiley, Spence and Weiner
Ms. Sacks

PLAINTIFFS' EXHIBIT 10

The National Collegiate Athletic Association

President
J. Neils Thompson
University of Texas
Austin, Texas 78712

Executive Director
Walter Byers

Secretary-Treasurer
Edgar A. Sherman
Muskingum College
New Concord, Ohio 73762

December 26, 1978

Mr. James R. Spence Jr.
Senior Vice President
ABC Sports, Incorporated
1330 Avenue of the Americas
New York, New York 10019

Dear Jim:

George Gangwere has reported to me on the meeting he held with counsel for ABC on December 7 in Washington, D. C.

It seemed ABC's primary objective was for the NCAA to commit itself to going to the Congress of the United States seeking a statutory antitrust injunction for the NCAA Television Plan.

As I believe I indicated to you previously, the timing for this type of action is not particularly good. Senator Kennedy has just replaced Senator Eastland as chairman of the Senate Judiciary Committee and is known to be looking for areas in which antitrust action can be taken. It is unlikely, therefore, he would entertain as one of the first items of business of his committee the granting of an antitrust exemption. Further, in the House, Congressman Santini of Nevada will be seeking for the foreseeable future to attach to any pertinent legislation an amendment which would force the NCAA to restructure its enforcement program into a full judicial process. This would be unworkable from the standpoint of required financial and time commitments, and thus would render the enforcement program virtually ineffective.

RECEIVED JAN 3 1979 CHARLES A. SMILEY, JR.

For these reasons and others, it seems inappropriate to me for ABC to hold out such action by the NCAA as a quid pro quo for ABC's approval of the revised Articles 16 and 20 of the 1978-1981 Football Television Plan. Frankly, the attitude strikes me as coersive, but equally important, the timing is unfortunate and inappropriate.

We believe we have created a reasonable approach to the regulation of cablecasting through the addition of the new Articles 16 and 20. If ABC has any alternate plan, we would be pleased to consider it. However, in the absence of an alternate approach and ABC's agreement, the NCAA would have little recourse except to withdraw approval for additional telecasts of Ohio State football by Warner Communications, which certainly would bring a new legal action from Warner and a court test of the plan. There appears to be little merit to that chain of action.

George indicated ABC suggested that the first right of the network to present an exception telecast, as set forth in Article 16, page 20, of the plan, should not require a telecast "via its affiliated station." I can understand the objection, but, of course, it was not the intent of the committee to limit ABC to an affiliate as the word is used in the television industry, but rather to any station with which your network might be associated. We would be pleased to eliminate the phrase "via its affiliated station" and Walter has forwarded a letter to that effect.

It is the plan of the Television Committee to meet again February 20-21 in Kansas City and we invite you to attend at

that time to continue discussion of the acceptance by ABC of Articles 16 and 20. Meanwhile, I state again for the record that as of this time the NCAA is administering its program under the provisions which are contained in the newly printed plan.

Best wishes.

Cordially yours,
/s/ Thomas C. Hansen
Thomas C. Hansen
Television Program Director

TCH:nlm

cc: Mr. Richard Andrews
Mr. Roone Arledge
Mr. Walter Byers
Mr. Cecil N. Coleman
Captain J. O. Coppedge
Mr. George Gangwere
Mr. Charles W. Smiley

PLAINTIFFS' EXHIBIT 11

ABC Sports, Inc. 1330 Avenue of the Americas New York, New York 10019
Telephone 212-LT1-7777

James R. Spence, Jr.
Senior Vice President

Dear Walter:

I am writing with regard to your letter of December 20 and Tom Hansen's letter of December 26 to me concerning possible changes in the 1978-1981 NCAA Football Television Plan. Please excuse my delay in getting back to you.

We are willing to discuss with you and your colleagues possible changes in articles 16 and 20 of the Plan, which is part of our June 10, 1977 agreement; however, we are both surprised and disturbed at your distributing to the NCAA membership a version of the 1978-1981 Plan--and your taking the position that this Plan is the one under which the NCAA is currently operating--when the distributed Plan contains language unilaterally adopted by the NCAA and not agreed to by ABC Sports. This language speaks to the very essence of our agreement with the NCAA.

We have not made congressional protection a prerequisite for our approval of revisions of the Plan; however, we have and do strongly urge the NCAA to entertain such a course of action.

The Warner Cable, Columbus, Ohio settlement was accomplished as a single exception to our exclusivity with the concurrence of the NCAA. What you are not proposing-- the application of the specific procedure and circumstances of the Warner Cable settlement to all cable-casts occurring through the balance of our agreement-- is a basic issue which needs thorough discussion and resolution by the principals of our respective organizations. To that end, we are ready to fix a mutually convenient date and location.

RECEIVED JAN 18 1979 CHARLES A. SMILEY, JR.

Once we have had the meeting which we have been proposing, I am sure that we can then expeditiously agree on and finalize any necessary language revisions.

Regards,

/s/ James Spencer Jr.

Mr. Walter Byers
Executive Director
National Collegiate Athletic Assoc.
P.O. Box 1906
Shawnee Mission, Kansas 66222

January 18, 1979

JRS:mc

cc: Messrs. Arledge, Stanford

cc: Mr. Cecil Coleman
Director of Athletics
University of Illinois

Captain John O. Coppedge
Athletic Director
U.S. Naval Academy

George Gangwere, Esq.
Swanson, Midgley, Eager
Gangwere & Thurlo

Mr. Thomas Hansen
Television Program Director
National Collegiate Athletic Assoc.

PLAINTIFFS' EXHIBIT 98

CBS MEMORANDUM

FROM: Kevin O'Malley
TO: VAN SAUTER
DATE: February 20, 1981

RE: MEETING WITH NCAA REPRESENTATIVES ON COLLEGE FOOTBALL

There are several aspects of our meeting with the NCAA Television Committee on Wednesday in Kansas City which we should discuss. First—some background:

1. *The Purpose of the Meeting*—Each time the NCAA has approached a new football contract, they have conducted conversations with representatives from the networks on the status of televised college football, and elicited interest in the package from each network. On Wednesday and Thursday, all three networks plus ESPN, USA Network and "ON" TV will make themselves available with suggestions about the package and answer the Committee's questions.
2. *Changing The Package*—The NCAA has always had a single network package, which has been carried at various times by all three networks, and has been on ABC for the past fifteen years. The current package, a four-year deal, expires with the 1981 season. ABC pays $29.5 million per year, and loses money—how much is debatable. The ratings have been flat in the 11-11.5 area for several years. At the time the last package was sold, consideration was actively given by some of the Committee to splitting it between two networks. This proposal was ultimately defeated when ABC agreed to a 66%

jump in rights to keep its exclusivity. No bids were actually taken from the other networks, partly because this jump in rights was sufficient to keep the Committee lined up behind Walter Byers, who opposed the two-network idea. His stated reason was the loss of control the NCAA would experience from the "dilution" of their contract. Walter has always been close to ABC, and it is suspected that his preference is based upon other than purely pragmatic reasons.

Now, after three more years of the status quo, there is a somewhat more widely-held view in college athletics that the two-network idea should be tried. The new College Football Association, made up of the larger schools, has pressed for its consideration, and many people in college football want it because:

a. The multiple network idea has made pro football visable and prosperous, and the NCAA teams in large markets are buried by the pros.

b. Their ratings are flat and rurally-based.

c. ABC under-promotes college football, a more pronounced trend since they got in the baseball business.

d. They see ratings growth as the best way to assure future financial gains.

It is assumed that ABC will once again pay a premium to keep exclusivity, and moan that the loss of same will drastically weaken their advertiser support.

3. *Why We Should Appear*—Our present level of interest could probably be described as limited, or less. Much of that attitude stems from the financial problems inherent in making a major unprofitable

commitment, as well as the undesirability of pre-empting some existing programs, and seeking additional affiliate time. With those negatives in mind, we should still make an appearance for the following reasons:

a. Not to do so might damage our remaining chances for the basketball championship.

b. If we don't get the championship, our interest in college football might be reassessed.

c. Whatever its problems, this series is still, next to its pro cousins, the highest-rated live sports series in television.

d. Any stated interest we exhibit in college football is conditional on a limited, sound, and financially feasible NCAA proposal.

e. The affiliate and pre-emption problems may not be too severe—we should discuss.

KMO/ss

PLAINTIFFS' EXHIBIT 40

DOMESTIC/WORLD-WIDE TELEGRAM

FOR COMMUNICATIONS CENTER

STRAIGHT-FULL RATE

PLEASE COPY PARTIES LISTED ON
THE ATTACHED ALSO BY TELEGRAM

7/20/81 ABC SPORTS 160-001

MR. WALTER BYERS
EXECUTIVE DIRECTOR
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
U.S. HIGHWAY 50 AND NALL AVENUE
SHAWNEE MISSION, KANSAS 66222

DEAR WALTER:

IT IS INCONCEIVABLE TO US THAT WE COULD ENTER INTO AN AGREEMENT WITH THE NCAA AT THESE EXTRAORDINARY LEVELS FOR A SPLIT NETWORK FOOTBALL PACKAGE THAT IS DESIGNED FOR PARITY WITHOUT GUARANTEES THAT WE WILL NOT BE REQUIRED TO PAY MORE THAN ANOTHER NETWORK FOR THE SAME PACKAGE.

I CERTAINLY HOPE THAT YOU WILL NOT CAUSE OUR SIXTEEN CONSECUTIVE YEAR RELATIONSHIP, WHICH HAS BEEN ONE OF THE MOST ENDURING AND MUTUALLY SATISFYING IN THE HISTORY OF TELEVISED SPORTS, TO COME TO AN END OVER WHAT WE CONSIDER TO BE AN ABSOLUTELY VITAL AND REASONABLE NEED ON OUR PART FOR ANY FUTURE TWO NETWORK RELATIONSHIP.

ROONE ARLEDGE

PLAINTIFFS' EXHIBIT 16

STRAIGHT-FULL RATE
TELEGRAM: SHAWNEE MISSION, KANSAS 66222
1/29/82 ABC SPORTS 160-001

JANUARY 29, 1982

TO: WALTER BYERS
EXECUTIVE DIRECTOR
NATIONAL COLLEGIATE ATHLETIC
ASSOCIATION
U.S. HIGHWAY 50 & NALL AVENUE
SHAWNEE MISSION, KANSAS 66222

DEAR WALTER:

WE UNDERSTAND THAT RIGHTS TO THE NCAA FOOTBALL "SUPPLEMENTARY SERIES" HAVE BEEN ACQUIRED BY THE TURNER BROADCASTING SYSTEM. THERE IS A DISTURBING REPORT THAT IN ADDITION TO DISTRIBUTING THE SUPPLEMENTARY SERIES GAMES VIA SATELLITE FOR CABLE TELECAST, TURNER PLANS TO BROADCAST THE GAMES LIVE OVER WTBS IN ATLANTA.

THE UNDERLYING PRINCIPLES OF OUR AGREEMENT FOR THE 1982 THROUGH 1985 SEASONS AND THE BASIS FOR OUR $131,500,000 COMMITMENT IS THAT ASIDE FROM THE BROADCASTS BY THE CARRYING NETWORKS AND THE "EXCEPTION TELECASTS" BY LOCAL STATIONS PURSUANT TO ARTICLE 16 OF THE TELEVISION PLAN, THERE WILL BE NO OTHER LIVE COVERAGE OF COLLEGE FOOTBALL ON "FREE" OVER-THE-AIR TELEVISION. THE NCAA FOOTBALL TELEVISION PRINCIPLES FOR 1982 THROUGH 1985 AND OUR AGREEMENT CLEARLY STATE THAT THE SUPPLEMENTARY SERIES WILL INVOLVE TELECASTS ONLY OVER *CABLE* AND/OR *PAY* OVER-THE-AIR TELEVISION.

bcc: Messrs. Arledge, Lavery, Stanford
Ms. Sundberg

WTBS IS A "FREE" OVER-THE-AIR UHF STATION. IT IS RECEIVED BY ALL ATLANTA-AREA VIEWERS WITHOUT CHARGE. IF THE NCAA ALLOWS THESE LIVE COLLEGE FOOTBALL TELECASTS BY WTBS, IT WILL CLEARLY BE IN BREACH OF OUR AGREEMENT AND WILL CAUSE VERY REAL AND SUBSTANTIAL INJURY NOT ONLY TO ABC BUT TO OUR ATLANTA-AREA AFFILIATES. WE WOULD APPRECIATE YOUR IMMEDIATE CONFIRMATION THAT THE CLEARLY ENUNCIATED PROVISIONS OF OUR AGREEMENT AND THE TELEVISION PRINCIPLES WILL BE ADHERED TO AND THAT THERE WILL BE NO LOCAL "FREE" OVER-THE-AIR BROADCASTS OF COLLEGE FOOTBALL IN ATLANTA OTHER THAN PURSUANT TO THE AGREED-UPON EXCEPTION TELECAST PROVISIONS OF ARTICLE 16 OF THE PLAN.

VERY TRULY YOURS,

JAMES R. SPENCE, JR.

JRS:mc

cc: George Gangwere, Wiles Hallock, Tom Hansen